

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
BATON ROUGE, LOUISIANA  
REPORT ON EXAMINATION  
OF  
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA  
YEAR ENDED SEPTEMBER 30, 2013

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH

BATON ROUGE, LOUISIANA

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
The Housing Authority of East Baton Rouge Parish  
Baton Rouge, Louisiana

***Report on the Financial Statements***

We have audited the accompanying financial statements and the discretely presented component units of The Housing Authority of East Baton Rouge Parish, Louisiana as of and for the years ended September 30, 2013 and December 31, 2012, which collectively comprise the Authority's basic financial statements, as listed in the table of contents. We did not audit the financial statements of Brookstown Place Partnership A.L.P.I.C., Cedar Pointe Subdivision L.P., Wesley Chapel Development L.P., EBRPHA Development 1 L.P. and EBRPHA Development 2 L.P., discretely presented component units of the Housing Authority, which represent 100% of the assets, net position and revenues of the aggregate discretely presented component units in the 'Partnerships' column of the Authority's basic financial statements, as of and for the year ended December 31, 2012. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions on the basic financial statements, insofar as it relates to the amounts included for Brookstown Place Partnership A.L.P.I.C., Cedar Pointe Subdivision L.P., Wesley Chapel Development L.P., EBRPHA Development 1 L.P. and EBRPHA Development 2 L.P. are based on the reports of the other auditors.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Wesley Chapel Development L.P., EBRPHA Development 1 L.P. and EBRPHA Development 2 L.P. were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority and its discretely presented component units as of September 30, 2013 and December 31, 2012, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 8 through 17 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Financial Data Schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Further, other supplementary data as listed in the table of contents is presented for the Department of Housing and Urban Development's information and is not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and is not a required part of the basic financial statements.



The Financial Data Schedule, other supplementary data and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting data and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting data and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated March 21, 2014 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Birmingham, Alabama  
March 21, 2014

*Yeager & Boyd*

Yeager & Boyd

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH

BATON ROUGE, LOUISIANA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
The Housing Authority of East Baton Rouge Parish  
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Authority and the discretely presented component units, as of and for the years ended September 30, 2013 and December 31, 2012, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 21, 2014. Our report contains a reference to other auditors who audited the financial statements of Brookstown Place Partnership A.L.P.I.C., Cedar Pointe Subdivision L.P., Wesley Chapel Development L.P., EBRPHA Development 1 L.P. and EBRPHA Development 2 L.P., as described in our report on the Housing Authority's financial statements. This report includes our consideration of the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors. The financial statements of Wesley Chapel Development L.P., EBRPHA Development 1 L.P. and EBRPHA Development 2 L.P. were not audited in accordance with *Government Auditing Standards*.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified a certain deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs, as Finding 13-01 to be a material weakness.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Authority's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Birmingham, Alabama  
March 21, 2014

*Yeager & Boyd*

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH

BATON ROUGE, LOUISIANA

INDEPENDENT AUDITOR'S REPORT FOR EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Board of Commissioners  
The Housing Authority of East Baton Rouge Parish  
Baton Rouge, Louisiana

***Report on Compliance for Each Major Federal Program***

We have audited the Authority's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the Authority's major federal programs for the year ended September 30, 2013. The Authority's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal programs. However, our audit does not provide a legal determination of Authority's compliance.

***Opinion on Each Major Program***

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2013.

## ***Report on Internal Control Over Compliance***

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the major programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal programs and to test and report on internal control over compliance in accordance with the *OMB Circular A-133*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a *material weakness* in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be *material weaknesses* or *significant deficiencies*. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*. However, *material weaknesses* may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of our testing based on the requirements of *OMB Circular A-133*. Accordingly, this report is not suitable for any other purpose.

Birmingham, Alabama  
March 21, 2014

Yeager & Bond

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

The Housing Authority of East Baton Rouge Parish's ("the Authority") Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, and (c) identify changes in the Authority's financial position.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements. This MD&A covers only the Authority's Enterprise Fund and does not analyze the financial position or current year's activity of the discretely presented Component Units. Separate audit reports have been issued on the financial statements of the Component Units. The audited financial statements of the Component Units have been included in the financial statements of the Authority.

## **FINANCIAL HIGHLIGHTS**

- The Authority's net position decreased \$1 million in 2013. Net Position was \$36.5 million and \$37.5 million for 2013 and 2012, respectively.
- Revenues increased \$2.5 million during 2013, and were \$37.4 million and \$34.9 million for 2013 and 2012, respectively.
- The total expenses of all Authority programs decreased \$.7 million. Total expenses were \$38.3 million and \$39 million for 2013 and 2012, respectively.

## USING THIS ANNUAL REPORT

The Report includes three major sections, the "Management's Discussion and Analysis (MD&A)", "Basic Financial Statements", and "Other Required Supplementary Information":

### MD&A

~ Management's Discussion  
and Analysis ~

### Basic Financial Statements

~ Authority-wide Financial Statements ~  
~ Notes to Financial Statements ~

### Other Required Supplementary Information

~ Required Supplementary Information ~  
(Other than the MD&A)



## **Authority-Wide Financial Statements**

The Authority-wide financial statements are designed to be corporate-like in that all business type activities are consolidated into columns which add to a total for the entire Authority.

### **Statement of Net Position**

These Statements include a Statement of Net Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format in which assets and deferred outflows of resources, equal liabilities, deferred inflows of resources and "Net Position", formerly known as net assets. Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Non-current".

The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to represent the net available liquid (non-capital) assets and deferred outflows of resources, net of liabilities and deferred inflows of resources, for the entire Authority. Net Position (formerly net assets) is reported in three broad categories:

Net Investment in Capital Assets: This component of Net Position consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position: Consists of Net Position that does not meet the definition of "Net Investment in Capital Assets", or "Restricted Net Position."

### **Statement of Revenues, Expenses, and Changes in Net Position**

The Authority-wide financial statements also include a Statement of Revenues, Expenses and Changes in Net Position (similar to an Income Statement). This Statement includes operating revenues, such as rental income, operating expenses, such as administrative, utilities, maintenance, and depreciation, and non-operating revenue and expenses, such as capital grant revenue, investment income and interest expense.

The focus of the Statement of Revenues, Expenses and Changes in Net Position is the "Change in Net Position", which is similar to Net Income or Loss.

### **Statement of Cash Flows**

Finally, a Statement of Cash Flows is included, which discloses net cash provided by, or used for operating activities, non-capital financing activities, investing activities and from capital and related financing activities.

## **The Authority's Main Programs**

Significant Programs - The focus of the Authority's Financial Statements should be on the significant programs of the Authority. The following are considered significant programs of the Authority.

Conventional Public Housing – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to provide the housing at a rent that is based upon 30% of household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties.

Housing Choice Vouchers Program – Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income.

Other Less Significant Programs – In addition to the significant programs above, the Authority also maintains the following less significant programs:

- Central Office Cost Center
- Revitalization of Severely Distressed Public Housing
- Resident Opportunity and Supportive Services Program
- Opportunities for Youth – Youthbuild Program
- Section 8 Moderate Rehabilitation Program
- Disaster Housing Assistance Program
- Disaster Housing Assistance – Ike Program
- Disaster Voucher Program
- Community Development Block Grant

## AUTHORITY-WIDE STATEMENTS

### Statement of Net Position

The following table reflects the condensed Statement of Net Position compared to the prior year. The Authority is engaged only in Business-Type Activities.

**TABLE 1**  
**STATEMENT OF NET POSITION**

	<b>2013</b>	<b>2012</b>	<b>Variance</b>
<b>Assets and Deferred Outflows of Resources:</b>			
Current Assets	\$ 10,407,532	\$ 9,022,048	\$ 1,385,484
Restricted Assets	2,984,441	3,298,531	(314,090)
Capital Assets	24,512,952	26,142,184	(1,629,232)
Other Non-Current Assets	3,009,570	3,410,180	(400,610)
Deferred Outflows of Resources	-	-	-
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 40,914,495</b>	<b>\$ 41,872,943</b>	<b>\$ (958,448)</b>
<b>Liabilities and Deferred Inflows of Resources:</b>			
Current Liabilities	\$ 713,078	\$ 534,265	\$ 178,813
Non-Current Liabilities	3,715,783	3,881,334	(165,551)
Deferred Inflows of Resources	-	-	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>\$ 4,428,861</b>	<b>\$ 4,415,599</b>	<b>\$ 13,262</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	\$ 24,205,421	\$ 25,804,850	\$ (1,599,429)
Restricted Net Position	2,785,591	2,998,087	(212,496)
Unrestricted Net Position	9,494,622	8,654,407	840,215
<b>Total Net Position</b>	<b>\$ 36,485,634</b>	<b>\$ 37,457,344</b>	<b>\$ (971,710)</b>

### Major Factors Affecting the Statement of Net Position

During 2013, current assets increased \$1.4 million. The increase resulted primarily from an increase in unrestricted cash as a result of operating cash receipts exceeding operating cash disbursements. See the 'Cash flows from operating activities' section of the Statement of Cash Flows for additional detail. Restricted assets and restricted net position decreased due mainly to a decrease in cash restricted for housing assistance payments. See Table 5 on page 16 for a detail of the changes in capital assets. Other non-current assets decreased due to payments received on outstanding promissory notes. Current liabilities increased due mainly to an increase in unearned revenues received from HUD. Non-current liabilities decreased due to the retirement of long-term debt obligations.

Table 2 presents details on the change in Unrestricted Net Position.

**TABLE 2**  
**CHANGES IN UNRESTRICTED NET POSITION**

Unrestricted Net Position, September 30, 2012	\$ 8,654,407
Results of operations	(964,357)
Capital expenditures from operations	(227,076)
Principal expenditures on capital debt from operations	(29,803)
Interest expense	(306,392)
Investment income	6,437
Transfer from Restricted Net Position	212,496
Non-operating bad debt expense	(108,276)
Depreciation expense	<u>2,257,186</u>
Unrestricted Net Position, September 30, 2013	<u>\$ 9,494,622</u>

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Position provides a clearer change in financial well-being.

**TABLE 3**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

The following schedule compares the revenues and expenses for the current and previous fiscal year. The Authority is engaged only in Business -Type Activities.

	2013	2012	Variance
<b>Revenues:</b>			
Tenant rental revenue	\$2,277,260	\$2,304,913	(\$27,653)
Operating grants	31,480,452	29,309,313	2,171,139
Capital grants	400,878	1,067,348	(666,470)
Investment income	6,437	7,291	(854)
Other revenue	3,197,337	2,215,682	981,655
Total revenues	37,362,364	34,904,547	2,457,817
<b>Expenses:</b>			
Administrative expenses	2,763,955	2,830,301	(66,346)
Tenant services	485,814	517,467	(31,653)
Utilities	1,093,624	943,714	149,910
Maintenance and operations	2,531,426	2,745,665	(214,239)
Protective services	145,697	172,117	(26,420)
General expenses	1,254,648	1,264,705	(10,057)
Interest expense	306,392	194,011	112,381
Housing assistance payments	27,387,056	27,771,124	(384,068)
Loss on disposition of capital assets	-	659,481	(659,481)
Non-operating bad debt expense	108,276	-	108,276
Depreciation	2,257,186	1,912,393	344,793
Total expenses	38,334,074	39,010,978	(676,904)
<b>Increase (decrease) in net position</b>	<b>(\$971,710)</b>	<b>(\$4,106,431)</b>	<b>\$3,134,721</b>

**MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

**REVENUE**

Overall revenues increased during 2013 in comparison to 2012 by \$2.5 million. Operating grants increased \$2.2 million due primarily to an increase in current year funding recognized under the Section 8 Housing Choice Voucher program. Capital Grants decreased by \$.7 million during the current year due to a reduction in modernization and improvement activity on the Authority's Public Housing sites. The increase in other revenue was mainly due to an increase in revenue recognized on voucher participants ported-in from other housing authorities.

**MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION - CONTINUED**

**EXPENSES**

Overall there was a \$.7 million decrease in expenses. Utility expense increased due mainly to increased electricity costs. Maintenance costs decreased due to a reduction in storm prevention and electrical repairs. Interest expense increased due the issuance of long-term debt during the second half of fiscal year 2012. Housing assistance payments decreased mainly as a result of an increase in Section 8 Housing Choice Voucher program tenant employment during the year. Loss on the disposition of capital assets recognized during fiscal year 2012 was a result of the disposition of the Hospital Plaza and Colonial Courts Public Housing sites. The recognition of non-operating bad debt expense during fiscal year 2013 is a result of a write-down of the realizable value of accounts receivable due from affiliates. Depreciation expense increased as modernization and improvement projects were placed into service during the current fiscal year.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### CAPITAL ASSETS

As of year end, the Authority had \$24.5 million invested in a variety of capital assets as reflected in the following schedule.

**TABLE 4**  
**CAPITAL ASSETS AT YEAR-END**  
**(NET OF DEPRECIATION)**

	2013	2012	Variance	% Change
Land	\$5,601,593	\$5,601,593	\$0	0%
Buildings and Improvements	41,784,226	38,643,543	3,140,683	8%
Furniture and equipment	562,386	628,250	(65,864)	-10%
Construction in progress	1,181,340	3,663,560	(2,482,220)	-68%
Accumulated depreciation	(24,616,593)	(22,394,762)	(2,221,831)	10%
Net capital assets	<u>\$24,512,952</u>	<u>\$26,142,184</u>	<u>(\$1,629,232)</u>	<u>-6%</u>

The following reconciliation summarizes the change in Capital Assets.

**TABLE 5**  
**CHANGE IN CAPITAL ASSETS**

	Business Type Activities
Beginning balance, October 1, 2012	\$ 26,142,184
Additions	627,954
Depreciation expense	<u>(2,257,186)</u>
Ending balance, September 30, 2013	<u>\$ 24,512,952</u>



## CAPITAL ASSETS AND DEBT ADMINISTRATION - CONTINUED

### Debt Outstanding

As of year-end, the Authority had \$3.5 million in long-term debt outstanding compared to \$3.7 million last year.

TABLE 6

### OUTSTANDING DEBT, AT YEAR-END

	Balance 9/30/2013	Balance 9/30/2012
Mortgages and notes payable	\$ 3,699,176	\$ 3,798,334
Less current portion	(171,978)	(89,299)
Long term debt	<u>\$ 3,527,198</u>	<u>\$ 3,709,035</u>

### ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on supplies and other costs

### FINANCIAL CONTACT

The individual to be contacted regarding this report is Melonie Bayham, Chief Operating Officer of the Housing Authority of East Baton Rouge Parish at 4731 North Boulevard, Baton Rouge, Louisiana 70806.

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2013

**ASSETS AND DEFERRED  
OUTFLOWS OF RESOURCES**

	Enterprise Fund	Component Unit - Partners for Progress, Inc.	Component Units - Partnerships	Total Reporting Entity
<b><u>Current Assets</u></b>				
Cash and Cash Equivalents	\$ 9,844,529	\$ 696,910	\$ 215,377	\$ 10,756,816
Accounts Receivable - Grants	63,098	-	-	63,098
Accounts Receivable - Other	61,194	-	148,145	209,339
Tenants Accounts Receivable	16,852	-	18,316	35,168
Allowance for Doubtful Accounts	(2,528)	-	-	(2,528)
Prepaid Costs	364,862	546	34,298	399,706
Inventory	59,525	-	-	59,525
Total Current Assets	<u>10,407,532</u>	<u>697,456</u>	<u>416,136</u>	<u>11,521,124</u>
<b><u>Restricted Assets</u></b>				
Cash and Cash Equivalents	2,984,441	500,000	1,075,426	4,559,867
Total Restricted Assets	<u>2,984,441</u>	<u>500,000</u>	<u>1,075,426</u>	<u>4,559,867</u>
<b><u>Capital Assets</u></b>				
Land	5,601,593	370,000	720,683	6,692,276
Buildings and Improvements	41,784,226	-	44,049,878	85,834,104
Furniture & Equipment	562,386	15,418	2,826,148	3,403,952
Construction in Progress	1,181,340	760,239	-	1,941,579
	49,129,545	1,145,657	47,596,709	97,871,911
(Less): Accumulated Depreciation	(24,616,593)	(1,542)	(2,477,684)	(27,095,819)
Net Capital Assets	<u>24,512,952</u>	<u>1,144,115</u>	<u>45,119,025</u>	<u>70,776,092</u>
<b><u>Other Assets</u></b>				
Notes Receivable	3,009,570	-	-	3,009,570
Amortizable Fees, Net	-	-	232,264	232,264
Other Non-current Assets	-	-	735	735
Total Other Assets	<u>3,009,570</u>	<u>-</u>	<u>232,999</u>	<u>3,242,569</u>
Total Assets	<u>40,914,495</u>	<u>2,341,571</u>	<u>46,843,586</u>	<u>90,099,652</u>
<b><u>Deferred Outflows of Resources</u></b>				
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 40,914,495</u>	<u>\$ 2,341,571</u>	<u>\$ 46,843,586</u>	<u>\$ 90,099,652</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2013

LIABILITIES, DEFERRED INFLOWS OF  
RESOURCES AND NET POSITION

	Enterprise Fund	Component Unit - Partners for Progress, Inc.	Component Units - Partnerships	Total Reporting Entity
<u>Current Liabilities</u>				
Accounts Payable	\$ 61,173	\$ 32,621	\$ 75,315	\$ 169,109
Construction Costs Payable	-	-	2,503,732	2,503,732
Accrued Wages and Payroll Taxes Payable	84,741	2,446	-	87,187
Accrued Compensated Absences - Current	104,895	3,382	-	108,277
Accrued Interest Payable	20,648	-	139,192	159,840
Tenant Security Deposits	117,620	-	75,561	193,181
Unearned Revenue	147,339	-	11,562	158,901
Other Current Liabilities	4,684	-	-	4,684
Capital Debt - Current	37,902	-	8,758,997	8,796,899
Non-capital Debt - Current	134,076	-	-	134,076
Total Current Liabilities	<u>713,078</u>	<u>38,449</u>	<u>11,564,359</u>	<u>12,315,886</u>
<u>Long Term Liabilities</u>				
Long Term Capital Debt	269,629	1,060,789	20,261,650	21,592,068
Long Term Non-capital Debt	3,257,569	500,000	-	3,757,569
Accrued Compensated Absences - Long Term	188,585	2,256	-	190,841
Other Noncurrent Liabilities	-	40,700	80,333	121,033
Total Long Term Liabilities	<u>3,715,783</u>	<u>1,603,745</u>	<u>20,341,983</u>	<u>25,661,511</u>
Total Liabilities	<u>4,428,861</u>	<u>1,642,194</u>	<u>31,906,342</u>	<u>37,977,397</u>
<u>Deferred Inflows of Resources</u>				
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>4,428,861</u>	<u>1,642,194</u>	<u>31,906,342</u>	<u>37,977,397</u>
<u>Net Position</u>				
Net Investment in Capital Assets	24,205,421	42,626	13,594,646	37,842,693
Restricted Net Position	2,785,591	500,000	1,075,426	4,361,017
Unrestricted Net Position	9,494,622	156,751	267,172	9,918,545
Total Net Position	<u>36,485,634</u>	<u>699,377</u>	<u>14,937,244</u>	<u>52,122,255</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 40,914,495</u>	<u>\$ 2,341,571</u>	<u>\$ 46,843,586</u>	<u>\$ 90,099,652</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Enterprise Fund	Component Unit - Partners for Progress, Inc.	Component Units - Partnerships	Total Reporting Entity
<u>Operating Revenues</u>				
Dwelling Rent	\$ 2,277,260	\$ -	\$ 1,038,861	\$ 3,316,121
Operating Grants	31,480,452	-	-	31,480,452
Other Revenue	3,197,337	165,582	-	3,362,919
Total Operating Revenues	<u>36,955,049</u>	<u>165,582</u>	<u>1,038,861</u>	<u>38,159,492</u>
<u>Operating Expenses</u>				
Administrative	2,763,955	219,108	300,948	3,284,011
Tenant Services	485,814	-	-	485,814
Utilities	1,093,624	2,602	11,211	1,107,437
Maintenance and Operations	2,531,426	3,723	189,762	2,724,911
Protective Services	145,697	-	-	145,697
General Expense	1,254,648	14,334	489,669	1,758,651
Housing Assistance Payments	27,387,056	-	-	27,387,056
Depreciation	2,257,186	1,542	756,510	3,015,238
Total Operating Expenses	<u>37,919,406</u>	<u>241,309</u>	<u>1,748,100</u>	<u>39,908,815</u>
Operating Income (Loss)	<u>(964,357)</u>	<u>(75,727)</u>	<u>(709,239)</u>	<u>(1,749,323)</u>
<u>Non-Operating Revenues (Expenses)</u>				
Investment Income	6,437	413	1,364	8,214
Investment Income on Notes Receivable	-	545,625	-	545,625
Non-Operating Bad Debt Expense	(108,276)	-	-	(108,276)
Interest Expense	(306,392)	-	(541,016)	(847,408)
Total Non-Operating Rev/(Exp)	<u>(408,231)</u>	<u>546,038</u>	<u>(539,652)</u>	<u>(401,845)</u>
Increase (Decrease) before Capital Contributions	<u>(1,372,588)</u>	<u>470,311</u>	<u>(1,248,891)</u>	<u>(2,151,168)</u>
Capital Contributions	<u>400,878</u>	<u>-</u>	<u>-</u>	<u>400,878</u>
Increase (Decrease) in Net Position	<u>(971,710)</u>	<u>470,311</u>	<u>(1,248,891)</u>	<u>(1,750,290)</u>
Net Position, Beginning	37,457,344	229,066	13,597,259	51,283,669
Contributions (Net) from Partners	-	-	2,588,876	2,588,876
Net Position, Ending	<u>\$ 36,485,634</u>	<u>\$ 699,377</u>	<u>\$ 14,937,244</u>	<u>\$ 52,122,255</u>

See the accompanying notes to financial statements.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Enterprise Fund	Component Unit - Partners for Progress, Inc.	Component Units - Partnerships	Total Reporting Entity
<u>Cash flows from operating activities:</u>				
Cash Received from Dwelling Rent	\$ 2,207,108	\$ -	\$ 866,560	\$ 3,073,668
Cash Received from Operating Grants	31,504,891	-	-	31,504,891
Cash Received from (Paid to) Other Sources	3,403,089	-	20,766	3,423,855
Developer Fees and Other Income Received from the Partnerships (Net)	-	165,582	-	165,582
Cash Payments for Salaries and Benefits	(3,325,607)	(120,656)	(144,650)	(3,590,913)
Cash Payments to Vendors and Landlords	(31,972,372)	(114,029)	(571,310)	(32,657,711)
Net cash provided (used) by operating activities	1,817,109	(69,103)	171,366	1,919,372
<u>Cash flows from non-capital financing activities:</u>				
Payments on Advances from EBRPHA	-	(17,707)	(31,279)	(48,986)
Proceeds from the issuance of Non-capital Debt	-	500,000	-	500,000
Principal, Interest and Fees paid on Non-capital Debt	(386,243)	(320,625)	-	(706,868)
Net cash provided (used) by noncapital financing activities	(386,243)	161,668	(31,279)	(255,854)
<u>Cash flows from capital and related financing activities:</u>				
Capital Grants Received	501,590	-	-	501,590
Capital Outlay	(627,954)	(583,829)	(18,112,215)	(19,323,998)
Proceeds from Assets Held for Resale	-	-	-	-
Proceeds from the issuance of Capital Debt	-	568,411	15,692,829	16,261,240
Proceeds from the issuance of Capital Debt from EBRPHA	-	-	3,359,570	3,359,570
Proceeds from Capital-related Advances from P-for-P, Inc.	-	-	109,770	109,770
Payments made on Capital-related Advances from EBRPHA	-	-	(311,947)	(311,947)
Payments made on Capital Debt to P-for-P, Inc.	-	-	(900,000)	(900,000)
Payments made on Capital-related Advances from Other Affiliates	-	-	(128,126)	(128,126)
Developer Fees Paid to Partners for Progress, Inc.	-	-	(571,500)	(571,500)
Developer Fees Paid to Other Affiliates	-	-	(40,500)	(40,500)
Principal, Interest and Fees paid on Capital Debt	(43,737)	(28,750)	(992,568)	(1,065,055)
Contributions from Partners (Capital-related)	-	-	2,588,876	2,588,876
Net cash provided (used) by capital & related financing activities	(170,101)	(44,168)	694,189	479,920
<u>Cash flows from investing activities:</u>				
Interest earned from cash and cash equivalents	6,437	413	1,364	8,214
Advances to WCD, LP	-	(109,770)	-	(109,770)
Proceeds Received on Advances to WCD, LP	-	109,770	-	109,770
Proceeds Received on Advances to EBRPHA Development 1 & 2, LP's	37,338	-	-	37,338
Proceeds Received on Advances to P-for-P, Inc.	17,707	-	-	17,707
Proceeds Received on Promissory Notes from EBRPHA Dev. 1 & 2, LP's	350,000	-	-	350,000
Proceeds Received on Notes from WCD, LP	-	900,000	-	900,000
Net cash provided (used) by investing activities	411,482	900,413	1,364	1,313,259
Net increase in cash and cash equivalents	1,672,247	948,810	835,640	3,456,697
<u>Cash and cash equivalents, beginning of year:</u>				
Current and Restricted Cash	11,156,723	248,100	455,163	11,859,986
Total cash and cash equivalents, beginning of year	11,156,723	248,100	455,163	11,859,986
<u>Cash and cash equivalents, end of year:</u>				
Current and Restricted Cash	12,828,970	1,196,910	1,290,803	15,316,683
Total cash and cash equivalents, end of year	\$ 12,828,970	\$ 1,196,910	\$ 1,290,803	\$ 15,316,683

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
STATEMENT OF CASH FLOWS - CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Enterprise Fund	Component Unit - Partners for Progress, Inc.	Component Units - Partnerships	Total Reporting Entity
<b><u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u></b>				
Operating Income (Loss)	\$ (964,357)	\$ (75,727)	\$ (709,239)	\$ (1,749,323)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and Amortization	2,307,796	1,542	999,761	3,309,099
Bad Debt Expense (Tenants)	100,997	-	-	100,997
Obsolete Inventory Expense	32,194	-	-	32,194
Change in Tenant Accounts Receivable	(70,152)	-	(158,587)	(228,739)
Change in Accounts Receivable/Payable - Grants	24,439	-	-	24,439
Change in Other Accounts Receivable	199,922	-	-	199,922
Change in Prepaid Costs and Inventory	196,759	4,671	(14,599)	186,831
Change in Accounts Payable - Operating	(39,943)	(910)	46,978	6,125
Change in Accrued Expenses	23,624	1,321	-	24,945
Change in Security and Escrow Deposits	5,830	-	7,052	12,882
Net cash provided (used) by operating activities	<u>\$ 1,817,109</u>	<u>\$ (69,103)</u>	<u>\$ 171,366</u>	<u>\$ 1,919,372</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH

BATON ROUGE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Housing Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority is a Special Purpose Government engaged only in business-type activities and therefore, presents only the financial statements required for the enterprise fund in accordance with GASB Statement 34 paragraph 138 and GASB Statement 63.

The Authority has multiple programs which are accounted for in one enterprise fund, which is presented as the "enterprise fund" in the basic financial statements as follows:

Enterprise Fund – In accordance with the Enterprise Fund Method, activity is recorded using the accrual basis of accounting and the measurement focus is on the flow of economic resources. Under the accrual basis of accounting revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. This required the Housing Authority to account for operations in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Governmental Accounting Standards – The Housing Authority has applied all applicable Governmental Accounting Standards Board pronouncements as well as pronouncements issued by the Financial Accounting Standards Board.

Cash

The Housing Authority considers cash on hand and cash in checking to be cash equivalents. Cash on hand is not included in calculation of collateral required.

Accounts Receivable

Tenant accounts receivables are carried at the amount considered by management to be collectible. Other accounts receivables consist of amounts due from grantor agencies, other housing authorities and affiliates.

Prepaid Items and Inventory

Prepaid items and inventory consists of payments made to vendors for services and materials that will benefit future periods.



## NOTES TO FINANCIAL STATEMENTS - CONTINUED

### NOTE A - SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

#### Unearned Revenue

The Authority recognizes revenues as earned. Funds received before the Authority is eligible to apply them are recorded as a liability under Unearned Revenue.

#### Revenue Accounting Policies

Dwelling rent income, HUD Grants received for operations, other operating fund grants and operating miscellaneous income are shown as operating income. HUD grants received for capital assets and all other revenue is shown as non-operating revenue.

These financial statements do not contain material inter-fund revenues and expenses for internal activity. The policy is to eliminate any material inter-fund revenues and expenses for these financial statements.

#### Capital Assets

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The costs of maintenance and repairs are expensed, while significant renewals and betterments are capitalized. Small dollar value minor equipment items are expensed. Depreciation on assets has been expensed in the statement of income and expenses. Estimated useful lives are as follows:

Buildings	20 years
Improvements	10 years
Furniture fixtures and equipment	5 years

#### Indirect Costs Recovery

Direct costs are charged to the Authority's applicable programs. The Authority charges indirect costs to its Central Office Cost Center, and charges the programs management fees based on fee rates provided by the Department of Housing and Urban Development.

#### Intangible Assets

In accordance with SFAS 142 intangible assets with finite useful lives will be amortized over their estimated useful life. Amortizable Fees consist primarily of tax credit application fees. Expenses relating to tax credit application fees are capitalized and amortized on a straight-line basis over the term of the tax credit compliance period.

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

### NOTE A - SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

#### Recent Accounting Pronouncements

The Authority has Adopted GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement establishes accounting and financial reporting standards for the financial statements of state and local governments. The Authority incorporates FASB, APB and ARB pronouncements, not conflicting with GASB pronouncements and issued on or before November 30, 1989, into the GASB authoritative literature. The adoption of GASB No. 62 had no material effect on the Authority's basic financial statements.

The Authority has adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The objective of this Statement is to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The adoption of GASB No. 63 had no material effect on the Authority's basic financial statements.

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

### NOTE B - REPORTING ENTITY DEFINITION

The Authority is a separate non-profit corporation with a Board of Commissioners. The applicable jurisdictions appoint the Board of Commissioners. However, the Authority has complete legislative and administrative authority and it recruits and employs personnel. The Authority adopts a budget that is approved by the Board of Commissioners. Subsidies for operations are received primarily from HUD. The Authority has substantial legal authority to control its affairs without local government approval; therefore, all operations of the Authority are a separate reporting entity as reflected in this report. The Authority is responsible for its debts and is entitled to surpluses.

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in *Section 2100 and 2600 of the Codification of Governmental Accounting and Financial Reporting Standards, Statement No. 14 (amended), of the Governmental Accounting Standards Board: The Financial Reporting Entity, Statement No. 39: Determining Whether Certain Organizations are Component Units, and Statement No. 61: The Financial Reporting Entity: Omnibus*. These criteria include manifestation of oversight responsibility including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable. Based upon the application of these criteria, the reporting entity includes the following component units:

**Partners for Progress, Incorporated** (the Corporation) is a related not-for-profit Louisiana corporation, which was created as an instrumentality of the Authority for the purpose of developing low, and low-moderate income housing opportunities within the East Baton Rouge Parish community. The Corporation has entered into a management agreement with the Authority, for the Authority to provide administrative and management services to the Corporation. Because Partners for Progress, Inc. maintains a substantively different governing board than the Authority, and the benefits derived from the services the Corporation provides extend beyond the Authority, the Corporation is considered to be a discrete component unit. The activity from the Corporation is reported separately in the financial statements and accompanying schedules in the Partner for Progress, Incorporated column. The organization's fiscal year end is September 30. A copy of the financial statements of Partners for Progress, Inc. for the year ended September 30, 2013 may be obtained by writing to The Housing Authority of the East Baton Rouge Parish, 4731 North Boulevard, Baton Rouge, Louisiana 70806.

**Partners for Progress Development Company, LLC** was created to function as an instrumentality of the Corporation to facilitate low income housing development. Partners for Progress, Incorporated is the sole member of Partners for Progress Development Company, LLC. Partners for Progress Development Company, LLC is the managing general partner of **Brookstown Place Partnership** (a discrete component unit of the Authority), a Louisiana Partnership in Commendam. Partners for Progress Development Company, LLC holds .01% interest in Brookstown Place Partnership and contributed \$50 at formation for this interest. Partners for Progress Development Company, LLC will receive .01% of income, 5% of the distribution of cash flow, and 5% from the sale or refinancing of partnership assets. Due to the Authority's interest and participation in the partnership (through Partners for Progress Development Company, LLC), Authority management considers the partnership to be a discreet component unit.

## NOTES TO FINANCIAL STATEMENTS – CONTINUED

### NOTE B - REPORTING ENTITY DEFINITION - CONTINUED

**Cedar Pointe Development, LLC** was created to function as an instrumentality of the Corporation to facilitate low income housing development. Partners for Progress, Incorporated is the sole member of Cedar Pointe Development, LLC. Cedar Pointe Development, LLC is the managing general partner of **Cedar Pointe Subdivision Limited Partnership** (a discrete component unit of the Authority), a Louisiana Partnership in Commendam. Cedar Pointe Development, LLC holds .01% interest in Cedar Pointe Subdivision Limited Partnership. Cedar Pointe Development, LLC will receive .01% of income, 5% of the distribution of cash flow, and 5% from the sale or refinancing of partnership assets. Due to the Authority's interest and participation in the partnership (through Cedar Pointe, LLC), Authority management considers the partnership to be a discreet component unit.

**Wesley Chapel Development, LLC** was created to function as an instrumentality of the Corporation to facilitate the rehabilitation of an eighty-two unit apartment complex for low to moderate income families known as Wesley Chapel Apartments. Partners for Progress, Incorporated is the sole member of Wesley Chapel Development, LLC. Wesley Chapel Development, LLC is the managing general partner of **Wesley Chapel Development, LP**. Due to the Authority's interest and participation in the partnership (through Wesley Chapel Development, LLC), Authority management considers the partnership to be a discreet component unit.

**Hospital Plaza I, LLC** was created to function as an instrumentality of the Corporation to facilitate the development of a townhouse community for low income families known as Willow Creek Townhomes. Partners for Progress, Incorporated is the sole member of Hospital Plaza I, LLC. Hospital Plaza I, LLC is the managing general partner of **EBRPHA Development 1, LP**. Due to the Authority's interest and participation in the partnership (through Hospital Plaza I, LLC), Authority management considers the partnership to be a discreet component unit.

**Colonial Courts I, LLC** was created to function as an instrumentality of the Corporation to facilitate the development of a townhouse community for low income families know as Autumn Place Townhomes. Partners for Progress, Incorporated is the sole member of Colonial Courts I, LLC. Colonial Courts I, LLC is the managing general partner of **EBRPHA Development 2, LP**. Due to the Authority's interest and participation in the partnership (through Colonial Courts I, LLC), Authority management considers the partnership to be a discreet component unit.

The financial activity of Partners for Progress Development Corporation, LLC, Cedar Pointe Development, LLC, Wesley Chapel Development, LLC, Hospital Plaza I, LLC and Colonial Courts I, LLC is consolidated into the Corporation's financial statements and is reported in the financial statements and accompanying schedules in the Partner for Progress, Incorporated column.

Brookstown Place Partnership, Cedar Pointe Subdivision Limited Partnership, Wesley Chapel Development, LP, EBRPHA Development 1, LP and EBRPHA Development 2, LP are considered by the Authority to be discrete component units. These component units have December 31 year ends. Financial activity for these discrete component units, for the year ended December 31, 2012, is reported separately in the financial statements and accompanying schedules in the Partnerships column. Condensed financial statements for these discrete component units can be found in Note R. A copy of the financial statements of each of these discrete component units for the year ended December 31, 2012 may be obtained by writing to The Housing Authority of the East Baton Rouge Parish, 4731 North Boulevard, Baton Rouge, Louisiana 70806.

There are no other Component Units.

## NOTES TO FINANCIAL STATEMENTS – CONTINUED

### NOTE C - CASH AND INVESTMENT DEPOSITS

*Custodial Credit Risk* – The Housing Authority policy is to limit credit risk by adherence to the list of HUD permitted investments, which are backed by the full faith and credit of or a guarantee of principal and interest by the U.S. Government.

*Interest Rate Risk* – The Housing Authority's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from interest rate volatility.

The U.S. Department of HUD requires housing authorities to invest excess funds in obligations of the U.S., certificates of deposit or any other federally insured investments.

The Housing Authority's cash and cash equivalents consist of cash held in interest and non-interest bearing checking accounts and investment sweep accounts totaling \$12,828,970. Deposits with financial institutions are secured as follows:

	<u>Book Balance</u>	<u>Bank Balance</u>
Insured by FDIC	\$ 750,000	\$ 750,000
Invested in U.S Treasury obligations	218,977	218,977
Collateralized with specific securities in the Authority name which are held by the financial institution	11,859,993	11,780,709
	<u>\$ 12,828,970</u>	<u>\$ 12,749,686</u>

All investments are carried at cost plus accrued interest, which approximates market. The Authority had no realized gains or losses on the sale of investments. The calculation of realized gains or losses is independent of a calculation of the net change in the fair value of investments.

#### **Partners for Progress, Incorporated**

The Corporation's cash and cash equivalents consist of cash held in an interest bearing and a non-interest bearing checking account, totaling a book balance of \$1,196,910, and a bank balance of \$1,546,910. As of September 30, 2013, the Corporation's bank balances were secured with FDIC insured deposits of \$250,000 and collateralized securities held in the Corporation's name of \$1,296,910.

#### **Partnerships**

As of December 31, 2012, the Partnerships had deposits of \$1,039,509, which were insured by FDIC and the Securities Investor Protector Corporation (SIPC), and \$251,294 of deposits in excess of federally insured limits.



## NOTES TO FINANCIAL STATEMENTS – CONTINUED

### NOTE D – CONTRACTUAL COMMITMENTS

The Authority had Outstanding Contractual Commitments as of September 30, 2013 as follows:

#### Type Commitment

Modernizations and Renovations	\$49,439
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### NOTE E – SIGNIFICANT ESTIMATES

These financial statements are prepared in accordance with generally accepted accounting principles. The financial statements include some amounts that are based on management's best estimates and judgments. The most significant estimates relate to depreciation and useful lives of capital assets, doubtful collection allowances against notes and accounts receivable and inventory valuations. These estimates may be adjusted as more current information becomes available, and any adjustment could be significant.

### NOTE F – DEFERRED COMPENSATION PLAN AND OTHER POST EMPLOYMENT BENEFITS

The Authority provides deferred compensation benefits for all of its full-time employees through the State of Louisiana Public Employees Deferred Compensation Plan, a defined contribution plan. The plan is administered by *Great West Retirement Services*. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after twelve months of continuous service. The Authority contributes approximately 6.5% of the employee's eligible compensation, while the employees are not required to contribute to the plan. During fiscal year 2013, the Authority made the required contributions in the amount of \$115,682 and the employees contributed \$39,315. The Authority's contributions for each employee (and interest allocated to the employee's account) are fully vested immediately, upon participation in the plan.

The Authority does not participate in an Other Post Employment Benefit Plan (OPEB).

### NOTE G – RISK MANAGEMENT

The Housing Authority is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Housing Authority carries commercial insurance for all risks of loss, including workman's compensation and employee health and accident insurance. The Housing Authority has not had any significant reductions in insurance coverage or any claims not reimbursed.

### NOTE H – COMPENSATED ABSENCES

It is the Authority's policy to grant full time permanent employees vacation benefits in varying amounts to specified maximums depending on tenure with the Authority. Sick leave also accrues to full time employees to specified maximums. The employees are entitled to vacation leave balances at termination. Leave accrued but not yet paid as of September 30, 2013, is shown as a liability allocated between current and non-current.

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

### NOTE I - CONCENTRATION OF RISK

The Housing Authority receives most of its funding from HUD. These funds and grants are subject to modification by HUD depending on the availability of funding.

### NOTE J - INTERPROGRAM ACTIVITY

The Housing Authority manages several programs. Many charges, i.e., payroll, benefits, insurance, etc. are paid by the Housing Authority's various funds and are subsequently reimbursed. Balances due for such charges are reflected in the Interprogram Due to/Due from account balances. Interprograms at September 30, 2013 consisted of the following:

Central Office Cost Center	\$ 1,271,743
Opportunities for Youth - Youthbuild	(42,006)
HOPE VI	(1,229,737)
	<u>\$ -</u>

### NOTE K - NOTES PAYABLE

In March of 2000, the Authority issued a note payable of \$567,000 for the remodeling of a commercial office building. The debt was refinanced in October of 2007 and again in December of 2012. The new promissory note bears interest at a rate of 3.5% and is payable in monthly installments of \$4,004, and an estimated final balloon payment in December of 2017. The amount of interest paid and charged to expense during the year was \$13,338. The principal balance at September 30, 2013 was \$307,531. The note is secured by the rents and leases on the building. Debt service requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2014	\$ 37,902	\$ 10,152	\$ 269,629
2015	39,250	8,803	230,379
2016	40,646	7,407	189,733
2017	42,092	5,962	147,641
2018	147,641	1,375	-
	<u>\$ 307,531</u>	<u>\$ 33,699</u>	<u>\$ -</u>



# NOTES TO FINANCIAL STATEMENTS - CONTINUED

## NOTE K – NOTES PAYABLE – CONTINUED

In February of 2012, the Authority obtained a loan from Capital One Public Funding, LLC for \$3,461,000. The loan was issued to finance subsequent loans to EBRPHA Development 1, LP and EBRPHA Development 2, LP to assist in the development of two low income townhouse communities. Principal and interest payments are to be paid out of the Authority's Capital Fund Program beginning in fiscal year 2013. The loan bears interest at a rate of 7.1% and matures in March of 2029. The Authority has pledged a first priority security interest to Capital One Public Finance, LLC in the Capital Fund Program grant funds to secure the loan. Interest expense incurred on the loan during the fiscal year was \$293,054. The outstanding balance as of September 30, 2013 was \$3,391,645. Future projected payments are as follows:

	Principal	Interest	Balance Due
2014	\$ 134,076	\$ 237,400	\$ 3,257,569
2015	157,042	226,958	3,100,527
2016	168,562	215,438	2,931,965
2017	180,927	203,073	2,751,038
2018	194,199	189,801	2,556,839
2019 - 2023	1,002,318	743,017	1,554,521
2024 - 2028	1,385,806	326,376	168,715
2029	168,715	3,511	-
	<u>\$ 3,391,645</u>	<u>\$ 2,145,574</u>	<u>\$ -</u>

Long-term liability activity for the year ended September 30, 2013, applicable to the Authority, was as follows:

	October 1, 2012 Balance	Increase	Decrease	September 30, 2013 Balance	Due Within One Year
Mortgage Payable	\$ 337,334	\$ -	\$ 29,803	\$ 307,531	\$ 37,902
Non-capital Debt	3,461,000	-	69,355	3,391,645	134,076
Accrued Compensated Absences	253,691	106,152	66,363	293,480	104,895
Less: Current portion	(170,691)			(276,873)	
Long Term Liabilities	<u>\$ 3,881,334</u>			<u>\$ 3,715,783</u>	<u>\$ 276,873</u>

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

### NOTE K – NOTES PAYABLE – CONTINUED

#### **Partners for Progress, Incorporated**

In November of 2000, the Corporation issued two non-interest bearing CDBG Home Loan Program notes payable of \$504,000 and \$171,000 to the City of Baton Rouge, for the purchase and rehabilitation of the Wesley Chapel project. The notes are secured by a subordinate lien on the Wesley Chapel property and are payable in equal monthly installments through March 2022. During fiscal year 2013, the Corporation paid off the outstanding principal balances of \$239,400 and \$81,225.

The Corporation entered into a loan agreement, effective July 1, 2010, with the City of Baton Rouge in the amount of \$1,475,000 to fund infrastructure costs of a housing development known as Copper Oaks Subdivision, on land the Corporation purchased in Baton Rouge. The development will consist of forty, single family homes. Infrastructure development began during fiscal year 2012 and continued during fiscal year 2013. The loan agreement stipulates that a minimum of eleven of the homes must be sold to low-moderate income families who satisfy the HOME Investment Partnership Act federal criteria, and construction must be complete by July 1, 2015. Interest payments on the principal balance are not required as long as the Corporation administers the home-ownership program in accordance with the loan agreement. The loan is secured by the Copper Oaks property. As of September 30, 2013, the outstanding balance of the loan was \$518,923.

In November of 2011, the Corporation issued a promissory note to Greenwell Land Acquisitions, LLC (GLA, LLC) in the amount of \$370,000 to purchase land from GLA, LLC, on which the Subdivision will be developed. The note matures on December 31, 2014, bears interest at 6% annually, and is secured by the purchased land. During the fiscal year, the Corporation capitalized \$22,200 of interest costs on the note, and the outstanding accrued interest payable balance on the note as of fiscal year end was \$40,700. The outstanding principal balance on the note as of September 30, 2013 was \$341,250.

Additionally, the Corporation entered into a Memorandum of Understanding Agreement (the Agreement) with Copper Oaks Partners, LLC (COP, LLC), the subdivision's developer, in which COP, LLC agreed to advance certain construction costs to the Corporation until the homes are constructed and sold. Upon the sale of each home, the Corporation will reimburse COP, LLC for the applicable construction advances. As of September 30, 2013, none of the homes were constructed and available for sale and the outstanding payable balance under the Agreement was \$200,616.

During fiscal year 2013, the Corporation (through Wesley Chapel Development, LLC a wholly-owned subsidiary entity) received funding under a loan agreement entered into in September of 2012, from the East Baton Rouge Redevelopment Authority. The loan proceeds are to be used to fund a loan from the Corporation to Wesley Chapel Development, LP to partially finance the development of a multi-family residential rental project. The loan is non-interest bearing and matures in October of 2047. The note is secured by a subordinate mortgage interest in the applicable project. The outstanding principal balance on the loan as of fiscal year-end was \$500,000.

# NOTES TO FINANCIAL STATEMENTS - CONTINUED

## NOTE K – NOTES PAYABLE – CONTINUED

### Partners for Progress, Incorporated - Continued

Long-term liability activity for the year ended September 30, 2013, applicable to the Corporation, was as follows:

	<u>October 1, 2012 Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>September 30, 2013 Balance</u>	<u>Due Within One Year</u>
Land Acquisition Note Payable	\$ 370,000	\$ -	\$ 28,750	\$ 341,250	\$ -
HOME Investment Loan	109,883	409,040	-	518,923	-
Construction Costs Payable - Non-current	41,245	159,371	-	200,616	-
Note Payable due to the East Baton Rouge RDA	-	500,000	-	500,000	-
Interest Payable - Non-current	18,500	22,200	-	40,700	-
Notes Payable due to the City of Baton Rouge	320,625	-	320,625	-	-
Accrued Compensated Absences	4,811	7,308	6,481	5,638	3,382
Less: Current portion	<u>(36,775)</u>			<u>(3,382)</u>	
Long Term Liabilities	<u>\$ 828,289</u>			<u>\$ 1,603,745</u>	<u>\$ 3,382</u>

# NOTES TO FINANCIAL STATEMENTS - CONTINUED

## NOTE K – NOTES PAYABLE – CONTINUED

### Partnerships

In February of 2009, Brookstown Place Partnership refinanced their previously issued construction loan with Alliant Mortgage Company, LLC, with a mortgage note payable in the amount of \$1,000,000 from Enterprise Team, Inc. The loan bears an annual interest rate of 7.03% with monthly principal and interest payments of \$6,236, and one balloon payment upon maturity in 2029. The loan had an outstanding principal balance of \$980,613 at December 31, 2012. The amount of interest charged to expense during the year was \$69,283. The non-recourse note is secured by buildings and land. Debt service requirements are as follows:

	Principal	Interest	Balance Due
2013	\$ 6,090	\$ 68,743	\$ 974,523
2014	6,532	68,301	967,991
2015	7,007	67,827	960,984
2016	7,515	67,318	953,469
2017	8,061	66,773	945,408
2018 - 2022	49,970	324,190	895,438
2023 - 2027	70,945	303,215	824,493
2028 - 2029	824,493	113,511	-
	<u>\$ 980,613</u>	<u>\$ 1,079,878</u>	<u>\$ -</u>

In October of 2009, Cedar Pointe Subdivision Limited Partnership refinanced their previously issued construction loan with Alliant Mortgage Company, LLC, with a mortgage note payable in the amount of \$2,640,000 from Alliant Capital, LLC. The loan bears an annual interest rate of 7.14% with monthly principal and interest payments of \$17,126, and one balloon payment upon maturity in 2027. The loan had an outstanding principal balance of \$2,590,689 at December 31, 2012. The amount of interest charged to expense during the year was \$188,526. The non-recourse note is secured by buildings and land. Debt service requirements are as follows:

	Principal	Interest	Balance Due
2013	\$ 21,218	\$ 184,290	\$ 2,569,471
2014	22,783	182,724	2,546,688
2015	24,464	181,042	2,522,224
2016	26,269	179,237	2,495,955
2017	28,208	177,298	2,467,747
2018 - 2022	175,542	852,019	2,292,205
2023 - 2027	2,292,205	776,970	-
	<u>\$ 2,590,689</u>	<u>\$ 2,533,580</u>	<u>\$ -</u>

# NOTES TO FINANCIAL STATEMENTS - CONTINUED

## NOTE K - NOTES PAYABLE - CONTINUED

### Partnerships - Continued

The Partnerships have incurred the following developer fees & other capital debts, as of December 31, 2012:

Due from Brookstown Place Partnership		
Deferred Developer Fees due to P-for-P Dev. Co., LLC	\$ 274,943	\$ 274,943
Due from Cedar Pointe Subdivision, LP		
Deferred Developer Fees due to Cedar Pointe Dev., LLC	240,748	240,748
Due from Wesley Chapel Dev., LP		
Construction Loan Due to Home Federal Bank, not to exceed \$6.5M, 18 month term at 2% + Prime (Variable)	6,476,027	
Deferred Developer Fees due to Wesley Chapel Dev., LLC	983,980	
Tax Credit Assistance Loan due to the Louisiana Housing Finance Agency of \$1M, 3% per annum, matures 3/1/2041 (Annual required payments depend on Excess LP Cash Flows)	1,000,000	8,460,007
Due from EBRPHA Dev. 1, LP		
Construction Loan Due to Capital One Bank, not to exceed \$5.53M, 18 month term at 4.25%	4,311,432	
Promissory Note dated January 2012, matures February 2052	1,500,570	
Promissory Note (second) dated January 2012, matures February 2052	209,000	
Affordable Housing Program Loan due to the Federal Home Loan Bank of \$700K, .25% per annum, matures 1/1/2053	700,000	
Subordinate Mortgage Loan due to the East Baton Rouge Redevelopment Authority of \$500K, .0% per annum, matures 1/1/2041	500,000	
Deferred Developer Fees due to Hospital Plaza I, LLC	998,313	8,219,315
Due from EBRPHA Dev. 2, LP		
Construction Loan Due to Capital One Bank, not to exceed \$5.472M, 18 month term at 4.25%	4,420,257	
Promissory Note dated January 2012, matures February 2052	1,441,000	
Promissory Note (second) dated January 2012, matures February 2052	209,000	
Affordable Housing Program Loan due to the Federal Home Loan Bank of \$700K, .25% per annum, matures 1/1/2053	700,000	
Subordinate Mortgage Loan due to the East Baton Rouge Redevelopment Authority of \$500K, .0% per annum, matures 1/1/2041	500,000	
Deferred Developer Fees due to Colonial Courts I, LLC	984,075	8,254,332
Less: Current Portion		(8,731,689)
Other Capital Debt, Non-current		<u>\$ 16,717,656</u>

# NOTES TO FINANCIAL STATEMENTS - CONTINUED

## NOTE K – NOTES PAYABLE – CONTINUED

### Partnerships - Continued

Interest charged to expense on other capital debt during the fiscal year was \$283,207.

See Note L for a description of the Corporation's accounting treatment of the developer fees owed from the partnerships.

Long-term liability activity for the year ended December 31, 2012, applicable to the Partnerships, was as follows:

	January 1, <u>2012 Balance</u>	<u>Increase</u>	<u>Decrease</u>	December 31, <u>2012 Balance</u>	Due Within <u>One Year</u>
Mortgage Notes Payable	\$ 7,685,646	\$ 19,052,399	\$ 1,199,457	\$ 25,538,588	\$ (8,758,997)
Deferred Developer Fees Payable	1,554,068	2,539,991	612,000	3,482,059	-
Operating Advance due to The HA of the City of EBR	76,359	-	31,279	45,080	-
Other Non-current Liabilities	30,788	4,465	-	35,253	-
Less: Current portion	<u>(302,658)</u>			<u>(8,758,997)</u>	
Long Term Liabilities	<u>\$ 9,044,203</u>			<u>\$ 20,341,983</u>	<u>\$ (8,758,997)</u>

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE L – RELATED PARTY TRANSACTIONS – NOTES AND DEVELOPER FEES

**Between the Authority and the Partnerships**

As of September 30, 2013, the Authority had the following notes and interest receivable balances outstanding:

Due from EBRPHA Development 1, LP		
Note dated January 2012, matures February 2052	\$	1,325,570
Accrued Interest, 2.7% compounded annually on principal		57,897
Allowance against Accrued Interest		(57,897)
Note (second) dated January 2012, matures February 2052		209,000
Accrued Interest, 2.7% compounded annually on principal		8,064
Allowance against Accrued Interest		(8,064)
		<u>1,534,570</u>
Due from EBRPHA Development 2, LP		
Note dated January 2012, matures February 2052	\$	1,266,000
Accrued Interest, 2.7% compounded annually on principal		55,598
Allowance against Accrued Interest		(55,598)
Note (second) dated January 2012, matures February 2052		209,000
Accrued Interest, 2.7% compounded annually on principal		8,064
Allowance against Accrued Interest		(8,064)
		<u>1,475,000</u>
Notes and Interest Receivable, Long Term		<u>\$ 3,009,570</u>

These loans were made to the respective Partnerships to assist in the development of two low income townhouse communities, and are secured with second mortgages against each Partnership's leasehold interest in the properties.



## NOTES TO FINANCIAL STATEMENTS - CONTINUED

### NOTE L - RELATED PARTY TRANSACTIONS - NOTES AND DEVELOPER FEES - CONTINUED

#### **Between the Partnerships and Partners for Progress, Incorporated**

Through the Corporation's wholly owned subsidiary entities (Partners for Progress Development Corporation, LLC, Cedar Pointe Development, LLC, Wesley Chapel Development, LLC, Hospital Plaza I, LLC and Colonial Courts I, LLC) the Corporation has earned developer fees from each of the Partnerships for overseeing the construction and development of three apartment complexes and two townhouse communities. The Corporation, through its subsidiary entities, has agreed to pay 75% of the outstanding Brookstown and Cedar Pointe developer fee receivable balances to the Brookstown and Cedar Pointe project consultants upon receipt from the partnerships. The Corporation has agreed to pay 96.25% of the outstanding developer fee receivable balances due from EBRPHA Development 1, LP and EBRPHA Development 2, LP to the project sub-developer and the Authority. During the fiscal year, the Corporation received net developer fees in the amount of \$131,500. As of September 30, 2013, the outstanding balances of the developer fee receivables due from the five partnerships amount to \$3,155,559. Upon receipt, \$356,393 of this amount is due to the Brookstown and Cedar Pointe project consultants, \$1,526,930 is due to the EBRPHA Development 1, LP and EBRPHA Development 2, LP sub-developer, and \$202,094 is due to the Authority. Due to uncertainties regarding collectability, Corporation management has elected to reserve the entire amount of the receivables, and to recognize income as funds are received.

During fiscal year 2011, the Corporation relocated its tenants from its Wesley Chapel Apartments building and discontinued its rental operations. In September 2011, the Corporation leased their land, buildings and improvements to Wesley Chapel Development, LP, under a 99 year capital lease. As compensation for the lease, the corporation entered into two deferred notes receivable with the partnership totaling \$900,000. As of fiscal year-end 2012, an allowance of \$545,625 was recorded against the \$900,000 receivables balance, leaving a net receivables balance of \$354,375. During fiscal year 2013, the Corporation received payment on both of the notes totaling \$900,000. Therefore, the Corporation recognized \$545,625 of Investment Income on Notes Receivable in its fiscal year 2013 Statement of Revenues, Expenses and Changes in Net Position.

# NOTES TO FINANCIAL STATEMENTS - CONTINUED

## NOTE M – RECEIVABLE VARIANCES DUE TO DIFFERENT FISCAL YEAR-ENDS

The following schedule summarizes the changes in the Authority's applicable receivable balances due from the Partnerships as of December 31, 2012, to the receivable balances reported as of September 30, 2013 in the Authority's financial statements:

	Brookstown Place Partnership	Cedar Pointe Subdivision Limited Partnership	Wesley Chapel Dev., LP	EBRPHA 1 Dev., LP	EBRPHA 2 Dev., LP	Total Partnership Component Units
<b>Accounts Receivable</b>						
As of 12/31/2012	\$ -	\$ -	\$ 45,080	\$ -	\$ -	\$ 45,080
Disbursements	-	-	-	-	-	-
Receipts	-	-	(45,080)	-	-	(45,080)
As of 9/30/2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Notes Receivable (before allowances)</b>						
As of 12/31/2012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disbursements	-	-	-	1,709,570	1,650,000	3,359,570
Receipts	-	-	-	(175,000)	(175,000)	(350,000)
As of 9/30/2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,534,570</u>	<u>\$ 1,475,000</u>	<u>\$ 3,009,570</u>

### Partners for Progress, Incorporated

The following schedule summarizes the changes in the Corporation's applicable receivable balances due from the Partnerships as of December 31, 2012, to the receivable balances reported as of September 30, 2013 in the Corporation's financial statements:

	Brookstown Place Partnership	Cedar Pointe Subdivision Limited Partnership	Wesley Chapel Dev., LP	EBRPHA 1 Dev., LP	EBRPHA 2 Dev., LP	Total Partnership Component Units
<b>Accounts Receivable/(Payable)</b>						
As of 12/31/2012	\$ -	\$ -	\$ 109,770	\$ -	\$ -	\$ 109,770
Disbursements	-	-	12,000	-	-	12,000
Receipts	-	-	(209,770)	-	-	(209,770)
As of 9/30/2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (88,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (88,000)</u>
<b>Deferred Developer Fees Receivable (before allowances)</b>						
As of 12/31/2012	\$ 274,943	\$ 240,748	\$ 983,980	\$ 998,313	\$ 984,075	\$ 3,482,059
Earned	-	-	-	-	-	-
Received	-	(40,500)	(100,000)	(93,000)	(93,000)	(326,500)
As of 9/30/2013	<u>274,943</u>	<u>200,248</u>	<u>883,980</u>	<u>905,313</u>	<u>891,075</u>	<u>3,155,559</u>
Allowance as of 9/30/2013	<u>(274,943)</u>	<u>(200,248)</u>	<u>(883,980)</u>	<u>(905,313)</u>	<u>(891,075)</u>	<u>(3,155,559)</u>
As of 9/30/2013, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

# NOTES TO FINANCIAL STATEMENTS - CONTINUED

## NOTE N - CAPITAL ASSETS

A summary of the Housing Authority's Capital Asset balances and activity, for the year ended September 30, 2013 is as follows:

	<u>PUBLIC HOUSING</u>	<u>HOPE VI</u>	<u>ROSS</u>	<u>HOUSING CHOICE VOUCHER</u>
Land	\$ 3,267,798	\$ 2,207,295	\$ -	\$ -
Building and Improvements	38,613,821	1,295,148	-	390,646
Furniture and Equipment	131,385	19,197	-	148,959
Construction in Process	1,170,893	-	10,447	-
Less Accumulated Depreciation	(22,738,688)	(356,178)	-	(539,605)
Total Capital Assets	<u>\$ 20,445,209</u>	<u>\$ 3,165,462</u>	<u>\$ 10,447</u>	<u>\$ -</u>

	<u>CAPITAL FUND</u>	<u>DISASTER VOUCHER</u>	<u>COCC</u>	<u>TOTAL</u>
Land	\$ -	\$ -	\$ 126,500	\$ 5,601,593
Building and Improvements	-	-	1,484,611	41,784,226
Furniture and Equipment	-	24,732	238,113	562,386
Construction in Process	-	-	-	1,181,340
Less Accumulated Depreciation	-	(22,259)	(959,863)	(24,616,593)
Total Capital Assets	<u>\$ -</u>	<u>\$ 2,473</u>	<u>\$ 889,361</u>	<u>\$ 24,512,952</u>

	<u>October 1, 2012 Balance</u>	<u>Additions</u>	<u>Transfers &amp; Deletions</u>	<u>September 30, 2013 Balance</u>
Land	\$ 5,601,593	\$ -	\$ -	\$ 5,601,593
Construction in Process	3,663,560	400,878	(2,883,098)	1,181,340
Total Assets not being Depreciated	9,265,153	400,878	(2,883,098)	6,782,933
Buildings and Improvements	38,643,543	227,076	2,913,607	41,784,226
Furniture and Equipment	628,250	-	(65,864)	562,386
Total Capital Assets	48,536,946	627,954	(35,355)	49,129,545
Less Accumulated Depreciation				
Buildings and Improvements	(21,892,162)	(2,200,644)	-	(24,092,806)
Furniture and Equipment	(502,600)	(56,542)	35,355	(523,787)
Net Book Value	<u>\$ 26,142,184</u>	<u>\$ (1,629,232)</u>	<u>\$ -</u>	<u>\$ 24,512,952</u>

# NOTES TO FINANCIAL STATEMENTS – CONTINUED

## NOTE N – CAPITAL ASSETS - CONTINUED

### Partners for Progress, Incorporated

A summary of the Corporation's Capital Asset balances and activity, for the year ended September 30, 2013 is as follows:

	October 1, 2012 <u>Balance</u>	<u>Additions</u>	Transfers & <u>Deletions</u>	September 30, 2013 <u>Balance</u>
Land	\$ 370,000	\$ -	\$ -	\$ 370,000
Construction in Process	<u>169,628</u>	<u>590,611</u>	<u>-</u>	<u>760,239</u>
Total Assets not being Depreciated	539,628	590,611	-	1,130,239
Buildings and Improvements	-	-	-	-
Furniture and Equipment	<u>-</u>	<u>15,418</u>	<u>-</u>	<u>15,418</u>
Total Capital Assets	539,628	606,029	-	1,145,657
Less Accumulated Depreciation				
Buildings and Improvements	-	-	-	-
Furniture and Equipment	<u>-</u>	<u>(1,542)</u>	<u>-</u>	<u>(1,542)</u>
Net Book Value	<u>\$ 539,628</u>	<u>\$ 604,487</u>	<u>\$ -</u>	<u>\$ 1,144,115</u>

# NOTES TO FINANCIAL STATEMENTS – CONTINUED

## NOTE N – CAPITAL ASSETS - CONTINUED

### Partnerships

A summary of the Partnerships' Capital Asset balances and activity, for the year ended December 31, 2012 is as follows:

	January 1, 2012		Transfers &	December 31, 2012
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Land	\$ 720,683	\$ -	\$ -	\$ 720,683
Construction in Process	6,077,032	-	(6,077,032)	-
Total Assets not being Depreciated	6,797,715	-	(6,077,032)	720,683
Buildings and Improvements	18,075,374	19,897,472	6,077,032	44,049,878
Furniture and Equipment	730,894	2,095,254	-	2,826,148
Total Capital Assets	25,603,983	21,992,726	-	47,596,709
Less Accumulated Depreciation	(1,721,174)	(756,510)	-	(2,477,684)
Net Book Value	<u>\$ 23,882,809</u>	<u>\$ 21,236,216</u>	<u>\$ -</u>	<u>\$ 45,119,025</u>

## NOTES TO FINANCIAL STATEMENTS – CONTINUED

### NOTE O – RESTRICTED CASH AND NET POSITION

The Authority's restricted cash consists of the following as of the end of the fiscal year:

Cash held for Housing Assistance Payments	\$ 1,739,609
Cash held for Modernizations and Improvements	1,045,982
Cash held for Debt Service	<u>198,850</u>
Total Restricted Assets	<u>\$ 2,984,441</u>

There is no off-setting liability for the funds restricted for housing assistance payments or modernization and improvements. Therefore, \$2,785,591 is reported as Restricted Net Position in the Net Position section of the Statement of Net Position.

#### **Partners for Progress, Incorporated**

During fiscal year 2013, the Corporation (through Wesley Chapel Development, LLC a wholly-owned subsidiary entity) received funding under a loan agreement from the East Baton Rouge Redevelopment Authority in the amount of \$500,000. The loan proceeds are restricted to fund a loan from the Corporation to Wesley Chapel Development, LP to partially finance the development of a multi-family residential rental project. As of September 30, 2013, the Corporation has not funded the loan to the Partnership.

#### **Partnerships**

The Partnerships' restricted cash and net position consist of the following as of December 31, 2012:

Cash held for repairs and replacements	\$ 109,997
Debt guarantor reserves	751,294
Cash held for operating deficits	175,664
Cash held for real estate taxes and insurance	<u>38,471</u>
Total Restricted Assets	<u>\$ 1,075,426</u>

## NOTES TO FINANCIAL STATEMENTS – CONTINUED

### NOTE P – COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from HUD are subject to audit and adjustment by grantor agencies. If expenses are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Authority. In the opinion of management, any such adjustments would not be significant.

#### **Partners for Progress, Incorporated**

The Corporation is the sole member of Wesley Chapel Development, LLC. Wesley Chapel Development, LLC is the general partner of Wesley Chapel Development, LP. In September 2011, Wesley Chapel Development, LP obtained a construction loan from Home Federal Bank for an amount up to \$6,500,000 to facilitate the rehabilitation of an eighty-two unit apartment complex for low to moderate income families known as Wesley Chapel Apartments. The note is secured with a mortgage on the leasehold interest in the property and improvements, and an assignment of rents. As of March 21, 2014, the principal balance owed on the note was \$6,227,211. In September 2011, Wesley Chapel Development, LP obtained an additional loan from the Louisiana Housing Finance Agency (LHFA) for \$1,000,000. The note is secured with a mortgage on the leasehold interest in the property and improvements, and an assignment of rents. As of March 21, 2014, the principal balance of the note was \$1,000,000. The Corporation has guaranteed payment of the notes to Home Federal Bank and LHFA. In the event that the partnership defaults, the loans could become a liability of the Corporation.

The Corporation is the sole member of Hospital Plaza I, LLC. Hospital Plaza I, LLC is the general partner of EBRPHA Development 1, LP. In January 2012, EBRPHA Development 1, LP obtained a loan from The East Baton Rouge Redevelopment Authority (The EBRRA) for an amount up to \$500,000. The note is secured with a mortgage on the leasehold interest in the property and improvements, and an assignment of rents. As of March 21, 2014, the principal balance owed on the loan was \$500,000. The Corporation has guaranteed payment of the loan to The EBRRA. In the event that the partnership defaults, the loans could become a liability of the Corporation.

The Corporation is the sole member of Colonial Courts I, LLC. Colonial Courts I, LLC is the general partner of EBRPHA Development 2, LP. In January 2012, EBRPHA Development 1, LP obtained a loan from The East Baton Rouge Redevelopment Authority (The EBRRA) for an amount up to \$500,000. The note is secured with a mortgage on the leasehold interest in the property and improvements, and an assignment of rents. As of March 21, 2014, the principal balance owed on the loan was \$500,000. The Corporation has guaranteed payment of the loan to The EBRRA. In the event that the partnership defaults, the loans could become a liability of the Corporation.

### NOTE Q – SUBSEQUENT EVENTS

In preparing the financial statements, management evaluated subsequent events through March 21, 2014, the date the financial statements were issued.



# NOTES TO FINANCIAL STATEMENTS – CONTINUED

## NOTE R – CONDENSED FINANCIAL STATEMENTS

### Partnerships

#### Condensed Discreet Component Units – Statement of Net Position

	Brockstown Place Partnership 12/31/2012	Cedar Pointe Subdivision Limited Partnership 12/31/2012	Wesley Chapel Dev., LP 12/31/2012	EBRPHA Dev. 1, LP 12/31/2012	EBRPHA Dev. 2, LP 12/31/2012	Elimination	Total Discreet Component Units 12/31/2012
<b>Assets</b>							
Current, restricted and other assets	\$ 128,493	\$ 427,489	\$ 255,196	\$ 464,547	\$ 448,836	\$ -	\$ 1,724,561
Current assets due from EBRPHA Dev. 1, LP	-	-	-	-	8,000	(8,000)	-
Non-current assets due from WCD, LP	-	23,716	-	-	-	(23,716)	-
Capital assets	4,181,738	12,205,793	9,999,858	9,386,087	9,345,549	-	45,119,025
Total assets	<u>4,310,231</u>	<u>12,656,998</u>	<u>10,255,054</u>	<u>9,850,634</u>	<u>9,802,385</u>	<u>(31,716)</u>	<u>46,843,586</u>
<b>Liabilities</b>							
Current liabilities	30,059	108,104	947,656	5,168,700	5,200,070	-	11,454,589
Current liabilities due to EBRPHA Dev. 2, LP	-	-	-	8,000	-	(8,000)	-
Current liabilities due to P-for-P, Inc.	-	-	109,770	-	-	-	109,770
Non-current liabilities due to CPS, LP	-	-	23,716	-	-	(23,716)	-
Non-current liabilities due to EBRPHA	-	-	45,080	1,709,570	1,650,000	-	3,404,650
Non-current liabilities due to P-for-P, Inc.	274,943	240,748	983,980	998,313	984,075	-	3,482,059
Non-current liabilities	981,447	2,571,300	7,502,527	1,200,000	1,200,000	-	13,455,274
Total liabilities	<u>1,286,449</u>	<u>2,920,152</u>	<u>9,612,729</u>	<u>9,084,583</u>	<u>9,034,145</u>	<u>(31,716)</u>	<u>31,906,342</u>
<b>Net position</b>							
Net investment in capital assets	2,926,182	9,374,356	549,717	380,351	364,040	-	13,594,646
Restricted net position	63,788	280,344	-	375,556	375,738	-	1,075,426
Unrestricted net position	33,812	102,146	92,608	10,144	28,482	-	267,172
Total net position	<u>\$ 3,023,782</u>	<u>\$ 9,736,846</u>	<u>\$ 642,325</u>	<u>\$ 766,051</u>	<u>\$ 768,240</u>	<u>\$ -</u>	<u>\$ 14,937,244</u>

# NOTES TO FINANCIAL STATEMENTS – CONTINUED

## NOTE R – CONDENSED FINANCIAL STATEMENTS - CONTINUED

### Partnerships – Continued

#### Condensed Discreet Component Units – Statement of Revenues, Expenses and Changes in Net Position

	Brookstown Place Partnership 12/31/2012	Cedar Pointe Subdivision Limited Partnership 12/31/2012	Wesley Chapel Dev., LP 12/31/2012	EBRPHA Dev. 1, LP 12/31/2012	EBRPHA Dev. 2, LP 12/31/2012	Total Discreet Component Units 12/31/2012
<b>Revenues</b>						
Rental revenue	\$ 207,716	\$ 655,468	\$ 161,963	\$ -	\$ -	\$ 1,025,147
Other operating revenue	4,093	9,550	71	-	-	13,714
Investment income	69	16	-	541	738	1,364
<b>Total revenues</b>	<b>211,878</b>	<b>665,034</b>	<b>162,034</b>	<b>541</b>	<b>738</b>	<b>1,040,225</b>
<b>Expenses</b>						
Administrative and general expenses	86,179	224,678	151,935	42,818	41,756	547,366
Maintenance and utilities	56,055	119,885	17,167	3,633	4,233	200,973
Interest expense	69,283	188,526	191,378	46,176	45,653	541,016
Depreciation and amortization	196,382	489,015	234,331	40,520	39,513	999,761
<b>Total expenses</b>	<b>407,899</b>	<b>1,022,104</b>	<b>594,811</b>	<b>133,147</b>	<b>131,155</b>	<b>2,289,116</b>
<b>Increase (decrease) in net position</b>	<b>(196,021)</b>	<b>(357,070)</b>	<b>(432,777)</b>	<b>(132,606)</b>	<b>(130,417)</b>	<b>(1,248,891)</b>
<b>Beginning net position</b>	<b>3,219,803</b>	<b>10,093,916</b>	<b>283,540</b>	<b>-</b>	<b>-</b>	<b>13,597,259</b>
Contributions	-	-	791,562	933,657	933,657	2,658,876
Syndication Costs	-	-	-	(35,000)	(35,000)	(70,000)
<b>Ending net position</b>	<b>\$ 3,023,782</b>	<b>\$ 9,736,846</b>	<b>\$ 642,325</b>	<b>\$ 766,051</b>	<b>\$ 768,240</b>	<b>\$ 14,937,244</b>

# NOTES TO FINANCIAL STATEMENTS – CONTINUED

## NOTE R – CONDENSED FINANCIAL STATEMENTS - CONTINUED

### Partnerships – Continued

#### Condensed Discreet Component Units – Statement of Cash Flows

	Brookstown Place Partnership 12/31/2012	Cedar Pointe Subdivision Limited Partnership 12/31/2012	Wesley Chapel Dev., LP 12/31/2012	EBRPHA Dev. 1, LP 12/31/2012	EBRPHA Dev. 2, LP 12/31/2012	Elimination	Total Discreet Component Units 12/31/2012
Cash flows from (used by) operating activities	\$ 67,312	\$ 308,549	\$(126,078)	\$ (39,411)	\$ (39,006)	\$ -	\$ 171,366
Cash flows from non-capital financing activities							
Payments on Advances from EBRPHA	-	-	(31,279)	-	-	-	(31,279)
Advances from CPS, LP	-	-	23,716	-	-	(23,716)	-
From all non-capital financing activities	-	-	(7,563)	-	-	(23,716)	(31,279)
Cash flows from (used by) capital and related financing activities							
Deferred Developer Fees Paid to P-for-P, Inc.	-	(13,500)	-	(279,000)	(279,000)	-	(571,500)
Payments on Capital Debt to P-for-P, Inc.	-	-	(900,000)	-	-	-	(900,000)
Proceeds Received on Debt Issuance from EBRPHA	-	-	-	1,709,570	1,650,000	-	3,359,570
Proceeds Received on Capital Advances from P-for-P, Inc.	-	-	109,770	-	-	-	109,770
Payments made on Capital Advances from EBRPHA	-	-	-	(167,453)	(144,494)	-	(311,947)
Payments made on Capital Advances from EBR Dev. 2, LP	-	-	-	(23,041)	-	23,041	-
Other capital and related financing activities	(74,834)	(246,008)	936,018	(781,216)	(825,664)	-	(991,704)
Used by all capital and related financing activities	(74,834)	(259,508)	145,788	458,860	400,842	23,041	694,189
Cash flows from (used by) investing activities							
Receipts on Advances from EBR Dev. 1, LP	-	-	-	-	23,041	(23,041)	-
Disbursements To WCD, LP	-	(23,716)	-	-	-	23,716	-
Other investing activities	69	16	-	541	738	-	1,364
From (used by) all investing activities	69	(23,700)	-	541	23,779	675	1,364
Net increase in cash and equivalents	(7,453)	25,341	12,147	419,990	385,615	-	835,640
Beginning current and restricted cash	113,056	320,403	-	1,520	20,184	-	455,163
Ending current and restricted cash	\$ 105,603	\$ 345,744	\$ 12,147	\$ 421,510	\$ 405,799	\$ -	\$ 1,290,803
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ (126,807)	\$ (168,560)	\$(241,399)	\$ (86,971)	\$ (85,502)	\$ -	\$ (709,239)
Depreciation and amortization	196,382	489,015	234,331	40,520	39,513	-	999,761
Change in operating assets and liabilities	(2,263)	(11,906)	(119,010)	7,040	6,963	-	(118,156)
Net cash provided (used) by operating activities	\$ 67,312	\$ 308,549	\$(126,078)	\$ (39,411)	\$ (39,006)	\$ -	\$ 171,366

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
SCHEDULE OF ASSETS, LIABILITIES AND NET POSITION BY PROGRAM  
SEPTEMBER 30, 2013

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	Opportunities For Youth - Recovery Act Funded	Section 8 Moderate Rehabilitation	Public Housing	Revitalization of Severely Distressed	Resident Opportunity Support	Housing Choice Vouchers Program	Capital Fund Program	Community Development Block Grant	Disaster Voucher Program
<b>Current Assets</b>									
Cash and Cash Equivalents	\$ -	\$ 159,523	\$ 2,514,495	\$ -	\$ -	\$ 929,132	\$ -	\$ -	\$ 1,280,664
Accounts Receivable - Grants	63,098	5,633	149,168	-	-	76,947	-	-	-
Accounts Receivable - Other	2,919	-	-	-	-	13,162	-	-	-
Tenants Accounts Receivable	-	-	16,852	-	-	-	-	-	-
Allowance for Doubtful Accounts	-	-	(2,528)	-	-	-	-	-	-
Prepaid Costs	-	-	276,072	-	-	29,016	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Notes Receivable - Current	-	-	-	-	-	-	-	-	-
Interprogram Receivable	-	-	-	-	-	-	-	-	-
Total Current Assets	66,017	165,156	2,954,059	-	-	1,048,257	-	-	1,280,664
<b>Restricted Assets</b>									
Cash and Cash Equivalents	-	-	1,244,832	-	-	1,739,609	-	-	-
Total Restricted Assets	-	-	1,244,832	-	-	1,739,609	-	-	-
<b>Capital Assets</b>									
Land	-	-	3,267,798	2,207,295	-	-	-	-	-
Buildings and Improvements	-	-	38,613,821	1,295,148	-	390,646	-	-	-
Furniture & Equipment	-	-	131,385	19,197	-	148,959	-	-	24,732
Construction in Progress	-	-	1,170,893	-	10,447	-	-	-	-
(Less): Accumulated Depreciation	-	-	43,183,897	3,521,640	10,447	539,605	-	-	24,732
Net Capital Assets	-	-	(22,738,688)	(366,178)	-	(539,605)	-	-	(22,259)
Total Capital Assets	-	-	20,445,208	3,165,462	10,447	-	-	-	2,473
<b>Other Assets</b>									
Notes Receivable	-	-	2,591,570	-	-	-	-	-	-
Amortizable Fees, Net	-	-	-	-	-	-	-	-	-
Other Non-current Assets	-	-	-	-	-	-	-	-	-
Total Other Assets	-	-	2,591,570	-	-	-	-	-	-
Total Assets	66,017	165,156	27,235,670	3,165,462	10,447	2,787,866	-	-	1,283,137
<b>Deferred Outflows of Resources</b>									
Total Deferred Outflows of Resources	-	-	-	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 66,017	\$ 165,156	\$ 27,235,670	\$ 3,165,462	\$ 10,447	\$ 2,787,866	\$ -	\$ -	\$ 1,283,137

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
SCHEDULE OF ASSETS, LIABILITIES AND NET ASSETS BY PROGRAM  
SEPTEMBER 30, 2013

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	Disaster Housing Assistance Program	Disaster Housing Assistance Program - Like	COCC	Elimination	Total Enterprise Fund	Component Unit - Partners for Progress, Inc.	Component Units - Partnerships	Total Reporting Entity
<u>Current Assets</u>								
Cash and Cash Equivalents	\$ 2,118,751	\$ 2,756,994	\$ 84,970	\$ -	\$ 9,844,529	\$ 696,910	\$ 215,377	\$ 10,756,816
Accounts Receivable - Grants	-	50,590	-	(282,338)	63,098	-	-	63,098
Accounts Receivable - Other	-	-	45,113	-	61,194	-	148,145	209,339
Tenants Accounts Receivable	-	-	-	-	16,852	-	18,316	35,168
Allowance for Doubtful Accounts	-	-	-	-	(2,528)	-	-	(2,528)
Prepaid Costs	-	-	59,774	-	364,862	546	34,298	399,708
Inventory	-	-	59,525	-	59,525	-	-	59,525
Notes Receivable - Current	-	-	-	-	-	-	-	-
Interprogram Receivable	-	-	1,271,743	(1,271,743)	-	-	-	-
Total Current Assets	2,118,751	2,807,584	1,521,125	(1,554,081)	10,407,532	697,458	416,136	11,521,124
<u>Restricted Assets</u>								
Cash and Cash Equivalents	-	-	-	-	2,984,441	500,000	1,075,426	4,559,867
Total Restricted Assets	-	-	-	-	2,984,441	500,000	1,075,426	4,559,867
<u>Capital Assets</u>								
Land	-	-	126,500	-	5,601,593	370,000	720,683	6,692,276
Buildings and Improvements	-	-	1,484,611	-	41,784,226	-	44,049,878	85,834,104
Furniture & Equipment	-	-	238,113	-	562,386	15,418	2,826,148	3,403,952
Construction in Progress	-	-	-	-	1,181,340	760,239	-	1,941,579
(Less): Accumulated Depreciation	-	-	1,849,224	-	49,129,545	1,145,657	47,596,709	97,871,911
Net Fixed Assets	-	-	(959,863)	-	(24,616,593)	(1,542)	(2,477,684)	(27,095,819)
Total Capital Assets	-	-	889,361	-	24,512,962	1,144,115	45,119,025	70,776,092
<u>Other Assets</u>								
Notes Receivable	-	-	418,000	-	3,009,570	-	-	3,009,570
Amortizable Fees, Net	-	-	-	-	-	-	232,264	232,264
Other Non-current Assets	-	-	-	-	-	-	735	735
Total Other Assets	-	-	418,000	-	3,009,570	-	232,999	3,242,569
Total Assets	2,118,751	2,807,584	2,828,486	(1,554,081)	40,914,495	2,341,571	46,843,586	90,099,652
<u>Deferred Outflows of Resources</u>								
Total Deferred Outflows of Resources	-	-	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 2,118,751	\$ 2,807,584	\$ 2,828,486	\$ (1,554,081)	\$ 40,914,495	\$ 2,341,571	\$ 46,843,586	\$ 90,099,652

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
SCHEDULE OF ASSETS, LIABILITIES AND NET POSITION BY PROGRAM  
SEPTEMBER 30, 2013**

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION**

	<u>Opportunities For Youth - Recovery Act Funded</u>	<u>Section 8 Moderate Rehabilitation</u>	<u>Public Housing</u>	<u>Revitalization of Severely Distressed</u>	<u>Resident Opportunity Support</u>	<u>Housing Choice Vouchers Program</u>	<u>Capital Fund Program</u>	<u>Community Development Block Grant</u>	<u>Disaster Voucher Program</u>
<u>Current Liabilities</u>									
Accounts Payable	\$ -	\$ -	\$ 40,370	\$ -	\$ -	\$ 193	\$ -	\$ -	\$ -
Construction Costs Payable	-	-	-	-	-	-	-	-	-
Accrued Wages and Payroll Taxes	2,166	59	23,529	-	-	18,127	-	-	-
Accrued Compensated Absences	17,161	-	28,279	-	-	25,473	-	-	-
Accrued Interest Payable	-	-	20,127	-	-	-	-	-	-
Tenant Security Deposits	-	-	117,620	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	429,677	-	-	-
Other Current Liabilities	4,884	-	-	-	-	-	-	-	-
Current Portion of Capital Debt	-	-	-	-	-	-	-	-	-
Current Portion of Non-capital Debt	-	-	134,076	-	-	-	-	-	-
Interprogram Payable	42,006	-	-	1,229,737	-	-	-	-	-
Total Current Liabilities	66,017	59	364,001	1,229,737	-	473,470	-	-	-
<u>Long Term Liabilities</u>									
Long Term Capital Debt	-	-	-	-	-	-	-	-	-
Long Term Non-capital Debt	-	-	3,257,569	-	-	-	-	-	-
Accrued Compensated Absences	-	-	58,200	-	-	52,086	-	-	-
Other Noncurrent Liabilities	-	-	-	-	-	-	-	-	-
Total Long Term Liabilities	-	-	3,315,769	-	-	52,086	-	-	-
Total Liabilities	66,017	59	3,679,770	1,229,737	-	525,556	-	-	-
<u>Deferred Inflows of Resources</u>									
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	66,017	59	3,679,770	1,229,737	-	525,556	-	-	-
<u>Net Position</u>									
Net Investment in Capital Assets	-	-	20,445,209	3,165,462	10,447	-	-	-	2,473
Restricted Net Position	-	-	1,045,982	-	-	1,739,609	-	-	-
Unrestricted Net Position	-	165,097	2,064,709	(1,229,737)	-	522,701	-	-	1,280,664
Total Net Position	-	165,097	23,555,900	1,935,725	10,447	2,262,310	-	-	1,283,137
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 66,017	\$ 165,156	\$ 27,235,670	\$ 3,165,462	\$ 10,447	\$ 2,787,866	\$ -	\$ -	\$ 1,283,137

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
SCHEDULE OF ASSETS, LIABILITIES AND NET POSITION BY PROGRAM  
SEPTEMBER 30, 2013**

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION**

	Disaster Housing Assistance Program	Disaster Housing Assistance Program - like	COCG	Elimination	Total Enterprise Fund	Component Unit - Partners for Progress, Inc.	Component Units - Partnerships	Total Reporting Entity
<b>Current Liabilities</b>								
Accounts Payable	\$ -	\$ -	\$ 20,510	\$ -	\$ 61,173	\$ 32,621	\$ 75,315	\$ 169,109
Construction Costs Payable	-	-	-	-	-	-	2,503,732	2,503,732
Accrued Wages and Payroll Taxes	-	-	40,860	-	84,741	2,446	-	87,187
Accrued Compensated Absences	-	-	33,982	-	104,895	3,382	-	108,277
Accrued Interest Payable	-	-	521	-	20,648	-	139,192	159,840
Tenant Security Deposits	-	-	-	-	117,620	-	75,561	193,181
Unearned Revenue	-	-	-	(282,338)	147,339	-	11,562	158,901
Other Current Liabilities	-	-	-	-	4,684	-	-	4,684
Current Portion of Capital Debt	-	-	37,902	-	37,902	-	-	8,796,899
Current Portion of Non-capital Debt	-	-	-	-	134,076	-	-	134,076
Interprogram Payable	-	-	-	(1,271,743)	-	-	-	-
<b>Total Current Liabilities</b>	-	-	133,875	(1,554,081)	713,076	38,449	11,564,359	12,315,886
<b>Long Term Liabilities</b>								
Long Term Capital Debt	-	-	269,629	-	269,629	1,060,789	20,261,650	21,592,068
Long Term Non-capital Debt	-	-	-	-	3,257,559	500,000	-	3,757,559
Accrued Compensated Absences	-	-	78,299	-	188,585	2,256	-	190,841
Other Noncurrent Liabilities	-	-	-	-	-	40,700	80,333	121,033
<b>Total Long Term Liabilities</b>	-	-	347,928	-	3,715,783	1,603,745	20,341,983	25,661,611
<b>Total Liabilities</b>	-	-	481,803	(1,554,081)	4,428,861	1,642,194	31,906,342	37,977,397
<b>Deferred Inflows of Resources</b>								
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	-	-	481,803	(1,554,081)	4,428,861	1,642,194	31,906,342	37,977,397
<b>Net Position</b>								
Net Investment in Capital Assets	-	-	581,830	-	24,205,421	42,626	13,594,646	37,842,693
Restricted Net Position	-	-	-	-	2,785,591	500,000	1,076,426	4,361,017
Unrestricted Net Position	2,118,751	2,807,584	1,764,853	-	9,494,622	156,751	267,172	9,918,545
<b>Total Net Position</b>	2,118,751	2,807,584	2,346,683	-	36,485,634	699,377	14,937,244	52,122,256
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	\$ 2,118,751	\$ 2,807,584	\$ 2,828,486	\$ (1,554,081)	\$ 40,914,495	\$ 2,341,571	\$ 46,843,586	\$ 90,095,652



**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
SCHEDULE OF INCOME, EXPENSES AND CHANGES IN NET POSITION BY PROGRAM  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Opportunities For Youth - Recovery Act Funded	Section 8 Moderate Rehabilitation	Public Housing	Revitalization of Severely Distressed	Resident Opportunity Support	Housing Choice Vouchers Program	Capital Fund Program	Community Development Block Grant	Disaster Voucher Program
<u>Operating Revenues</u>									
Dwelling Rent	\$ -	\$ -	\$ 2,277,260	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Grants	478,637	79,628	3,196,270	-	-	26,413,417	809,662	382,893	-
Other Revenue	-	434	152,088	-	-	2,804,560	-	-	-
Total Operating Revenues	478,637	80,062	5,625,618	-	-	29,217,977	809,662	382,893	-
<u>Operating Expenses</u>									
Administrative	39,068	3,084	1,230,476	31,236	-	1,741,996	133,182	-	-
Tenant Services	423,265	-	43,725	-	-	-	18,824	-	-
Utilities	-	-	1,066,163	-	-	6,549	-	-	-
Maintenance and Operations	16,304	-	2,226,494	-	-	30,455	103,473	-	-
Protective Services	-	-	-	-	-	-	145,697	-	-
General Expense	-	108	971,057	-	-	151,479	-	-	-
Housing Assistance Payments	-	63,097	-	-	-	27,323,969	-	-	-
Depreciation	-	-	1,887,277	68,188	-	-	222,970	-	3,710
Total Operating Expenses	478,637	66,289	7,425,192	99,401	-	29,264,438	624,146	-	3,710
Operating Income (Loss)	-	13,773	(1,799,574)	(99,401)	-	(36,461)	185,516	382,893	(3,710)
<u>Non-Operating Revenues (Expenses)</u>									
Investment Income	-	80	1,671	-	-	1,380	-	-	641
Investment Income on Notes Receivable	-	-	-	-	-	-	-	-	-
Non-Operating Bad Debt Expense	-	-	-	-	-	-	-	-	-
Interest Expense	-	-	(293,054)	-	-	-	-	-	-
Total Non-Operating Rev/(Exp)	-	80	(291,383)	-	-	1,380	-	-	641
Increase (decrease) before Capital Contributions and Transfers	-	13,853	(2,090,957)	(99,401)	-	(35,081)	185,516	382,893	(3,069)
Capital Contributions	-	-	-	-	-	-	470,233	-	-
Operating Transfers In (Out)	-	-	1,089,368	-	-	-	(408,486)	(382,893)	-
Increase (Decrease) in Net Position	-	13,853	(1,001,589)	(99,401)	-	(35,081)	247,263	-	(3,069)
Net Position, Beginning	-	151,244	20,986,195	2,035,126	10,447	2,297,391	3,324,041	-	1,286,206
Net Position Contributions and Transfers	-	-	3,571,304	-	-	-	(3,571,304)	-	-
Net Position, Ending	-	165,097	23,555,900	1,935,725	10,447	2,262,310	-	-	1,283,137

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
SCHEDULE OF INCOME, EXPENSES AND CHANGES IN NET POSITION BY PROGRAM  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Disaster Housing Assistance Program	Disaster Housing Assistance Program - Like Program	COCC	Elimination	Total Enterprise Fund	Component Unit - Partners for Progress, Inc.	Component Units - Partnerships	Total Reporting Entity
<b>Operating Revenues</b>								
Dwelling Rent	\$ -	\$ -	\$ -	\$ -	\$ 2,277,260	\$ -	\$ 1,038,861	\$ 3,316,121
Operating Grants	-	50,590	-	69,355	31,480,452	-	-	31,480,452
Other Revenue	-	1,010	1,750,244	(1,510,999)	3,197,337	165,582	-	3,362,919
Total Operating Revenue	-	51,600	1,750,244	(1,441,644)	36,955,049	165,582	1,038,861	38,159,492
<b>Operating Expenses</b>								
Administrative	-	6,688	1,089,225	(1,510,999)	2,763,955	219,108	300,948	3,284,011
Tenant Services	-	-	-	-	485,814	-	-	485,814
Utilities	-	-	20,912	-	1,093,624	2,602	11,211	1,107,437
Maintenance and Operations	-	460	154,240	-	2,531,426	3,723	189,762	2,724,911
Protective Services	-	-	-	-	145,597	-	-	145,597
General Expense	-	-	132,004	-	1,254,848	14,334	489,669	1,758,651
Housing Assistance Payments	-	-	-	-	27,387,056	-	-	27,387,056
Depreciation	-	-	75,083	-	2,257,186	1,542	756,510	3,015,238
Total Operating Expenses	-	7,148	1,471,444	(1,510,999)	37,919,406	241,309	1,748,100	39,908,815
Operating Income (Loss)	-	44,452	278,800	69,355	(984,357)	(75,727)	(709,239)	(1,749,323)
<b>Non-Operating Revenue (Expenses)</b>								
Investment Income	899	1,379	387	-	6,437	413	1,364	8,214
Investment Income on Notes Receivable	-	-	-	-	-	545,625	-	545,625
Non-Operating Bad Debt Expense	-	-	(108,276)	-	(108,276)	-	-	(108,276)
Interest Expense	-	-	(13,336)	-	(306,392)	-	(541,016)	(847,408)
Total Non-Operating Rev/(Exp)	899	1,379	(121,227)	-	(408,231)	546,038	(539,652)	(401,845)
Increase (decrease) before Capital Contributions and Transfers	899	45,831	157,573	69,355	(1,372,588)	470,311	(1,248,891)	(2,151,166)
Capital Contributions	-	-	-	(69,355)	400,878	-	-	400,878
Operating Transfers In (Out)	(297,979)	-	-	-	-	-	-	-
Increase (Decrease) in Net Position	(297,080)	45,831	157,573	-	(971,710)	470,311	(1,248,891)	(1,750,290)
Net Position, Beginning	2,415,831	2,761,753	2,189,110	-	37,457,944	229,066	13,597,259	61,283,669
Net Position Contributions and Transfers	-	-	-	-	-	-	2,588,876	2,588,876
Net Position, Ending	\$ 2,118,751	\$ 2,807,584	\$ 2,346,683	\$ -	\$ 36,486,234	\$ 699,377	\$ 14,937,244	\$ 52,122,255

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
BATON ROUGE, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2013

EXPENDITURES

Community Development Block Grant - Passed-through the Louisiana Housing Council, Inc. Group Self Insurance Risk Management Agency Total CFDA Number 14.228	\$ 382,893
Section 8 Moderate Rehabilitation Single Room Occupancy Total CFDA Number 14.249	79,628
Low Rent Public Housing Total CFDA Number 14.850a	3,196,270
Section 8 Housing Choice Vouchers Total CFDA Number 14.871	26,413,417
Public Housing Capital Fund Program Total CFDA Number 14.872	<u>1,279,895</u>
Total HUD Expenditures	<u>31,352,103</u>
Opportunities for Youth - Youthbuild Program Total CFDA Number 17.274	<u>478,637</u>
Total Department of Labor Expenditures	<u>478,637</u>
Disaster Housing Assistance Program - Ike Total CDFA Number 97.109 (Ike)	<u>50,590</u>
Total Federal Emergency Management Agency Expenditures	<u>50,590</u>
TOTAL FEDERAL EXPENDITURES	<u>\$ 31,881,330</u>

Basis of Presentation:

The above schedule of expenditures of federal awards includes the federal grant activity of the Authority and is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.

**THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
STATEMENT AND CERTIFICATION OF PROGRAM  
COSTS - CAPITAL FUND PROGRAM  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<b>Public Housing Capital Fund Program LA48R00350106</b>	<b>Public Housing Capital Fund Program LA48R00350107</b>	<b>Public Housing Capital Fund Program LA48R00350108</b>
Funds Approved	\$ 148,402	\$ 144,936	\$ 148,863
Funds Expended	148,402	144,936	148,863
Excess of Funds Approved	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Funds Advanced	\$ 148,402	\$ 144,936	\$ 148,863
Funds Expended	148,402	144,936	148,863
Excess of Funds Advanced	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<b>Public Housing Capital Fund Program LA48P00350106</b>	<b>Public Housing Capital Fund Program LA48P00350109</b>	<b>Public Housing Capital Fund Program LA48P00350110</b>
Funds Approved	\$ 1,688,542	\$ 1,707,905	\$ 1,704,936
Funds Expended	1,688,542	1,707,905	1,704,936
Excess of Funds Approved	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Funds Advanced	\$ 1,688,542	\$ 1,707,905	\$ 1,704,936
Funds Expended	1,688,542	1,707,905	1,704,936
Excess of Funds Advanced	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

1. The distribution of costs as shown on the Actual Modernization Cost Certificates submitted to HUD for approval are in agreement with the Housing Authority's records.
2. All Modernization costs have been paid and all related liabilities have been discharged through payment.

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
EAST BATON ROUGE, LOUISIANA  
FINANCIAL DATA SCHEDULE  
SEPTEMBER 30, 2013

ASSETS	OPPORTUNITIES FOR YOUTH/ YOUTH/OLD	SECTION 8 MODERATE REHABILITATION	PUBLIC HOUSING	REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING	RESIDENT OPPORTUNITY & SUPPORTIVE SERVICES	HOUSING CHOICE VOUCHERS	PUBLIC HOUSING CAPITAL FUND	COMMUNITY DEVELOPMENT BLOCK GRANT	DISASTER VOUCHER
	17,274	14,249	14,850a	14,866	14,870	14,871	14,872	14,228	14,072
CURRENT ASSETS									
111 CASH UNRESTRICTED	-	159,529	2,396,875	-	-	929,132	-	-	1,280,664
112 CASH RESTRICTED FOR PAYMENT OF S/T DEBT	-	-	-	-	-	-	-	-	-
113 CASH RESTRICTED FOR REHABILITATION AND DEV	-	-	-	-	-	-	-	-	-
114 CASH OTHER RESTRICTED	-	-	1,244,832	-	-	1,739,609	-	-	-
115 CASH TENANT SECURITY DEPOSIT	-	-	117,620	-	-	-	-	-	-
100 TOTAL CASH	-	159,529	3,758,327	-	-	2,668,741	-	-	1,280,664
ACCOUNTS AND NOTES RECEIVABLE	-	-	-	-	-	-	-	-	-
121 A/R - PMA PROJECTS	-	-	-	-	-	-	-	-	-
122 A/R - HUD PROJECTS	-	5,633	149,160	-	-	76,847	-	-	-
124 A/R - OTHER GOVT	63,098	-	-	-	-	-	-	-	-
125 A/R - MISC	2,919	-	-	-	-	39,261	-	-	-
126 A/R - TENANT DWELLING RENT	-	-	16,952	-	-	-	-	-	-
126.1 ALLOWANCE FOR D A - TENANTS	-	-	(2,528)	-	-	(25,099)	-	-	-
126.2 ALLOWANCE FOR D A - OTHER	-	-	-	-	-	-	-	-	-
127 NOTES AND MORTGAGES RECEIVABLE	-	-	-	-	-	-	-	-	-
128 FRAUD RECOVERY	-	-	-	-	-	-	-	-	-
128.1 ALLOWANCE FOR FRAUD RECOVERY	-	-	-	-	-	-	-	-	-
129 ACCRUED INTEREST RECEIVABLE	-	-	-	-	-	-	-	-	-
120 TOTAL RECEIVABLES NET OF ALLOW	66,017	5,633	263,492	-	-	90,109	-	-	-
CURRENT INVESTMENTS	-	-	-	-	-	-	-	-	-
131 INVESTMENTS - UNRESTRICTED	-	-	-	-	-	-	-	-	-
132 INVESTMENTS RESTRICTED PWT S/T DEBT	-	-	-	-	-	-	-	-	-
132 INVESTMENTS - RESTRICTED	-	-	276,072	-	-	29,016	-	-	-
132 PREPAID COSTS	-	-	-	-	-	-	-	-	-
143 INVENTORIES - MATERIALS	-	-	-	-	-	-	-	-	-
143.1 ALLOWANCE FOR OBSOLETE INV	-	-	-	-	-	-	-	-	-
144 INTERPROGRAM DUE FROM	-	-	-	-	-	-	-	-	-
145 INVENTORY HELD FOR RESALE	-	-	-	-	-	-	-	-	-
146 AMOUNTS TO BE PROVIDED	-	-	-	-	-	-	-	-	-
150 TOTAL CURRENT ASSETS	66,017	165,156	4,198,891	-	-	2,787,866	-	-	1,280,664
NONCURRENT ASSETS	-	-	-	-	-	-	-	-	-
FIXED ASSETS	-	-	3,267,798	2,207,295	-	-	-	-	-
161 LAND	-	-	-	-	-	-	-	-	-
162 INFRASTRUCTURE	-	-	-	-	-	-	-	-	-
162 BUILDINGS	-	-	35,717,345	1,089,079	-	390,646	-	-	-
163 FURNITURE & EQUIPMENT - DWELLINGS	-	-	-	-	-	-	-	-	-
164 FURNITURE & EQUIPMENT - ADMINISTRATION	-	-	131,385	19,187	-	340,959	-	-	24,732
165 LEASEHOLD IMPROVEMENTS	-	-	2,896,475	208,059	-	-	-	-	-
167 CONSTRUCTION IN PROGRESS	-	-	1,170,893	-	10,447	-	-	-	-
166 ACCUMULATED DEPRECIATION	-	-	(32,738,863)	(356,176)	-	(539,605)	-	-	(22,259)
160 TOTAL FIXED ASSETS, NET OF DEPR	-	-	20,445,209	3,165,462	10,447	-	-	-	2,473
NOTES & MORTGAGES RECEIVABLE - N/C	-	-	2,592,570	-	-	-	-	-	-
171 NOTES & MORTGAGES RECEIVABLE - DO	-	-	-	-	-	-	-	-	-
172 GRANTS RECEIVABLE - NONCURRENT	-	-	-	-	-	-	-	-	-
173 OTHER ASSETS	-	-	-	-	-	-	-	-	-
174 INVESTMENT IN JOINT VENTURES	-	-	-	-	-	-	-	-	-
180 TOTAL NONCURRENT ASSETS	-	-	23,036,779	3,165,462	10,447	-	-	-	2,473
190 TOTAL ASSETS	66,017	165,156	27,235,670	3,165,462	10,447	2,787,866	-	-	3,283,137

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
EAST BATON ROUGE, LOUISIANA  
FINANCIAL DATA SCHEDULE  
SEPTEMBER 30, 2013

	OPPORTUNITIES FOR YOUTH/ YOUTHBUILD	SECTION 8 MODERATE REHABILITATION	PUBLIC HOUSING	REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING	RESIDENT OPPORTUNITY # SUPPORTIVE SERVICES	HOUSING CHOICE VOUCHERS	PUBLIC HOUSING CAPITAL FUND	COMMUNITY DEVELOPMENT BLOCK GRANT	DISASTER VOUCHER
	17,274	14,249	14,850a	14,866	14,870	14,871	14,872	14,228	14,477
LIABILITIES AND NET POSITION									
CURRENT LIABILITIES									
311 BANK OVERDRAFT	-	-	-	-	-	-	-	-	-
312 A/P < 90 DAYS	-	-	40,370	-	-	193	-	-	-
313 A/P > 90 DAYS	-	-	-	-	-	-	-	-	-
321 ACCRUED WAGE/PAYROLL TAXES PAYABLE	2,166	59	23,529	-	-	18,127	-	-	-
322 ACCRUED COMPENSATED ABSENCES	17,161	-	28,279	-	-	25,473	-	-	-
324 ACCRUED CONTINGENCY LIABILITY	-	-	-	-	-	-	-	-	-
325 ACCRUED INTEREST PAYABLE	-	-	20,127	-	-	-	-	-	-
331 ACCOUNTS PAYABLE - HUD PEA PROGRAMS	-	-	-	-	-	429,677	-	-	-
332 ACCOUNTS PAYABLE - PEA PROJECTS	-	-	-	-	-	-	-	-	-
333 ACCOUNTS PAYABLE OTHER GOVT	-	-	-	-	-	-	-	-	-
341 TENANT SECURITY DEPOSIT	-	-	117,620	-	-	-	-	-	-
342 UNEARNED REVENUE	-	-	-	-	-	-	-	-	-
343 CURRENT PORTION OF LT DEBT CAPITAL	-	-	-	-	-	-	-	-	-
344 CURRENT PORTION OF LT DEBT OPERATING	-	-	-	-	-	-	-	-	-
345 LOAN LIABILITIES - CURRENT	-	-	134,976	-	-	-	-	-	-
346 OTHER CURRENT LIABILITIES	4,584	-	-	-	-	-	-	-	-
348 ACCRUED LIABILITIES - OTHER	-	-	-	-	-	-	-	-	-
347 INTERPROGRAM DUE TO	42,006	-	-	1,229,737	-	-	-	-	-
310 TOTAL CURRENT LIABILITIES	66,017	59	364,001	1,229,737	-	473,470	-	-	-
NONCURRENT LIABILITIES									
351 LONG TERM DEBT NET OF CURRENT CAPITAL	-	-	-	-	-	-	-	-	-
352 LONG TERM DEBT NET OF CURRENT OPERATING	-	-	-	-	-	-	-	-	-
354 LONG TERM PORTION OF COMPENSATED ABSENC	-	-	98,200	-	-	82,085	-	-	-
355 LOAN LIABILITIES - OTHER	-	-	3,257,569	-	-	-	-	-	-
359 NONCURRENT LIABILITIES OTHER	-	-	-	-	-	-	-	-	-
360 TOTAL NONCURRENT LIABILITIES	-	-	3,355,769	-	-	82,085	-	-	-
300 TOTAL LIABILITIES	66,017	59	3,679,770	1,229,737	-	525,555	-	-	-
NET POSITION									
508.1 NET INVESTMENT IN CAPITAL ASSETS	-	-	20,445,209	3,165,462	10,447	-	-	-	2,479
511.1 RESTRICTED NET POSITION	-	-	1,045,982	-	-	1,739,609	-	-	-
512.1 UNRESTRICTED NET POSITION	-	165,097	2,064,769	(1,229,737)	-	522,701	-	-	1,280,664
513 TOTAL NET POSITION	-	165,097	23,555,960	1,935,725	10,447	2,262,310	-	-	1,283,137
600 TOTAL LIABILITIES AND NET POSITION	66,017	165,156	27,235,570	3,165,462	10,447	2,787,866	-	-	1,283,137

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
EAST BATON ROUGE, LOUISIANA  
FINANCIAL DATA SCHEDULE  
SEPTEMBER 30, 2013

	OPPORTUNITIES FOR YOUTH/ YOUTHBUILD	SECTION 8 MODERATE REHABILITATION	PUBLIC HOUSING	REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING	RESIDENT OPPORTUNITY & SUPPORTIVE SERVICES	HOUSING CHOICE VOUCHERS	PUBLIC HOUSING CAPITAL FUND	COMMUNITY DEVELOPMENT BLACK GRANT	DISASTER VOUCHER
	17,274	14,249	14,850	14,866	14,870	14,871	14,872	14,228	14,873
701 NET TENANT RENTAL REVENUE	-	-	2,105,622	-	-	-	-	-	-
704 TENANT REVENUE - OTHER	-	-	170,039	-	-	-	-	-	-
705 TOTAL TENANT REVENUE	-	-	2,275,661	-	-	-	-	-	-
706 HUD PAA GRANTS	-	79,628	3,196,270	-	-	26,413,417	809,862	-	-
706.1 CAPITAL GRANTS RECEIVED	-	-	-	-	-	-	470,233	-	-
706.2 ADMINISTRATIVE FEES EARNED	-	-	-	-	-	-	-	-	-
707.1 MANAGEMENT FEE	-	-	-	-	-	-	-	-	-
707.2 ASSET MANAGEMENT FEE	-	-	-	-	-	-	-	-	-
707.3 BOOK-KEEPING FEE	-	-	-	-	-	-	-	-	-
707.4 FRONT LINE SERVICE FEE	-	-	-	-	-	-	-	-	-
707.5 OTHER FEES	-	-	-	-	-	-	-	-	-
708 OTHER GOVT GRANTS	478,637	-	-	-	-	-	-	362,893	-
710 SEC 8 INCOME	-	-	-	-	-	-	-	-	-
711 INVESTMENT INCOME - UNRESTRICTED	-	80	951	-	-	235	-	-	641
712 MORTGAGE INTEREST INCOME	-	-	-	-	-	-	-	-	-
713 PROCEEDS FROM ASSETS HELD FOR SALE	-	-	-	-	-	-	-	-	-
713.1 COST OF SALE OF ASSETS	-	-	-	-	-	-	-	-	-
714 FRAUD RECOVERY	-	-	-	-	-	68,561	-	-	-
715 OTHER REVENUE	-	434	152,088	-	-	2,738,999	-	-	-
716 GAIN OR LOSS ON THE SALE OF FIXED ASSETS	-	-	-	-	-	-	-	-	-
720 INVESTMENT INCOME - RESTRICTED	-	-	720	-	-	1,145	-	-	-
700 TOTAL REVENUE	478,637	80,142	5,627,289	-	-	29,219,357	1,279,895	362,893	641
EXPENSES	-	-	-	-	-	-	-	-	-
ADMINISTRATIVE	-	-	-	-	-	-	-	-	-
911 ADMINISTRATIVE SALARIES	22,053	2,155	325,421	-	-	675,630	-	-	-
912 AUDITING FEES	-	518	15,414	-	-	25,360	-	-	-
913 MANAGEMENT FEE	-	-	543,572	-	-	381,287	133,182	-	-
913.1 BOOK-KEEPING FEE	-	-	84,113	-	-	298,125	-	-	-
914 ADVERTISING AND MARKETING	-	-	-	-	-	-	-	-	-
915 EMPLOYEE BENEFIT CONTRIBUTION	5,628	416	83,820	-	-	169,940	-	-	-
916 OTHER OPERATING ADMINISTRATIVE	-	-	74,460	-	-	130,890	-	-	-
917 LEGAL EXPENSE	-	-	6,639	-	-	9,223	-	-	-
918 TRAVEL	11,387	-	6,379	-	-	1,152	-	-	-
919 OTHER	-	-	22,938	31,235	-	44,389	-	-	-
920 ASSET MANAGEMENT FEE	-	-	69,720	-	-	-	-	-	-
TENANT SERVICES	-	-	-	-	-	-	-	-	-
921 TENANT SERVICES SALARIES	186,945	-	11,065	-	-	-	18,424	-	-
922 RELOCATION COSTS	-	-	-	-	-	-	-	-	-
923 EMPLOYEE BENEFIT CONTRIBUTION	34,145	-	1,981	-	-	-	-	-	-
924 TENANT SERVICES OTHER	208,175	-	30,679	-	-	-	-	-	-
UTILITIES	-	-	-	-	-	-	-	-	-
931 WATER	-	-	67,456	-	-	969	-	-	-
932 ELECTRICITY	-	-	586,268	-	-	3,705	-	-	-
933 GAS	-	-	144,681	-	-	464	-	-	-
934 FUEL	-	-	-	-	-	-	-	-	-
935 LABOR	-	-	-	-	-	-	-	-	-
936 SEWER	-	-	267,718	-	-	1,411	-	-	-
937 EMPLOYEE BENEFIT CONTRIBUTION UTILITY	-	-	-	-	-	-	-	-	-
938 OTHER UTILITIES	-	-	-	-	-	-	-	-	-
ORDINARY MAINTENANCE & OPERATION	-	-	-	-	-	-	-	-	-
941 ORDINARY MAINT AND OF LABOR	-	-	689,055	-	-	-	-	-	-
942 ORDINARY MAINTENANCE AND OF MATERIALS	15,304	-	239,859	-	-	423	39,180	-	-
943 ORDINARY MAINTENANCE AND OF CONTRACT	-	-	583,084	-	-	30,032	64,293	-	-
945 EMPLOYEE BENEFIT CONTRIBUTION	-	-	168,265	-	-	-	-	-	-
PROTECTIVE SERVICES	-	-	-	-	-	-	-	-	-
951 PROTECTIVE SERVICES - LABOR	-	-	-	-	-	-	-	-	-
952 PROTECTIVE SERVICES - OTHER CONTRACT COSTS	-	-	-	-	-	-	145,697	-	-
953 PROTECTIVE SERVICES - OTHER	-	-	-	-	-	-	-	-	-
955 EMPLOYEE BENEFIT CONTRIBUTION PS	-	-	-	-	-	-	-	-	-



THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
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OPPORTUNITIES FOR YOUTH/ YOUTH/OLD	SECTION 8 MODERATE REHABILITATION	REHABILITATION PUBLIC HOUSING	REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING	RESIDENT OPPORTUNITY & SUPPORTIVE SERVICES	REVENUE CHOICE VOUCHERS	PUBLIC HOUSING CAPITAL FUND	COMMUNITY DEVELOPMENT BLOCK GRANT	DISASTER VOUCHER
17,274	14,249	34,850a	14,866	14,870	14,871	14,872	14,228	14,597
GENERAL EXPENSES								
941 INSURANCE PREMIUMS	-	-	-	-	-	-	-	-
942 OTHER GENERAL EXPENSE	108	805,043	-	-	108,908	-	-	-
942.1 COMPENSATED AGENCIES	-	50,610	-	-	27,062	-	-	-
943 PAYMENTS IN LIEU OF TAXES	-	14,407	-	-	15,509	-	-	-
944 BAD DEBT - TRUANT	-	-	-	-	-	-	-	-
945 BAD DEBT - MORTGAGES	-	100,987	-	-	-	-	-	-
946 BAD DEBT - OTHER	-	-	-	-	-	-	-	-
947 INTEREST EXPENSE	-	203,056	-	-	-	-	-	-
948 DEPRECIATION EXPENSE	-	-	-	-	-	-	-	-
949 TOTAL OPERATING EXPENSES	478,637	5,415,013	31,235	-	1,930,479	401,176	-	-
970 EXCESS OPERATING REVENUE OVER OPERATING EXP	-	12,276	(31,235)	-	27,288,878	876,719	382,893	441
971 EXTRAORDINARY MAINTENANCE	-	-	-	-	-	-	-	-
972 CASUALTY LOSSES - NON CAPITALIZED	-	209,500	-	-	-	-	-	-
973 EAP	-	63,097	-	-	24,774,402	-	-	-
973.5 EAP PORTABILITY-IN	-	-	-	-	2,549,557	-	-	-
974 DEPRECIATION EXPENSE	-	1,087,277	68,166	-	-	222,970	-	3,710
975 FRAUD LOSSES	-	-	-	-	-	-	-	-
976 CAPITAL OUTLAYS GOVT FUNDS	-	-	-	-	-	-	-	-
977 DEBT PRINCIPAL PAYMENT GOVT FUNDS	-	-	-	-	-	-	-	-
978 SELLING UNITS NET EXPENSE	-	-	-	-	-	-	-	-
990 TOTAL EXPENSES	478,637	7,718,246	99,401	-	29,254,438	624,146	-	3,710
1001 OPERATING TRANSFERS IN	-	-	-	-	-	-	-	-
1002 OPERATING TRANSFERS OUT	-	1,089,358	-	-	-	-	(382,893)	-
1006 PROCEEDS FROM PROPERTY SALES	-	-	-	-	-	-	-	-
1007 EXTRAORDINARY ITEMS (NET GAIN/LOSS)	-	-	-	-	-	-	-	-
1008 SPECIAL ITEMS (NET GAIN/LOSS)	-	-	-	-	-	-	-	-
1010 TOTAL OTHER FINANCING SOURCES (USES)	-	1,089,358	-	-	-	(408,486)	(382,893)	-
1000 EXCESS REVENUE OVER EXPENSES	-	(1,001,599)	(99,401)	-	(35,081)	247,263	-	(3,069)
1103 BEGINNING NET POSITION	-	181,244	20,986,195	-	2,287,391	3,324,041	-	1,286,206
1104 NET POSITION TRANSFERS	-	-	3,571,304	-	-	(3,571,304)	-	-
1104 PRIOR PERIOD ADJUSTMENT	-	-	-	-	-	-	-	-
ENDING NET POSITION	-	181,244	24,557,500	1,936,725	2,282,310	-	-	1,283,137
1120 GROSS # UNITS	-	-	-	-	-	-	-	-
1121 # UNIT MONTHS LEASED	168	11,430	-	-	45,821	-	-	-
1117 ADMINISTRATIVE FEE NET POSITION	230	11,423	-	-	39,750	-	-	-
1118 HOUSING ASSISTANCE PAYMENTS NET POSITION	-	-	-	-	522,701	-	-	-
1162 BUILDING PURCHASES	-	-	-	-	1,739,609	-	-	-
1351 OFF DEBT SERVICE - PRINCIPAL PAYMENTS	-	-	-	-	-	400,978	-	-
	-	-	-	-	-	69,385	-	-

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	DISASTER HOUSING ASSISTANCE PROGRAM 97.109	DISASTER HOUSING ASSISTANCE PROGRAM - IRE 97.109 (2a)	COCC	ELIMINATION	TOTAL ENTERPRISE FUND	COMPONENT UNIT - PARTNERS FOR PROGRESS, INC.	COMPONENT UNIT - PARTNERS UNIT - PARTNERSHIPS	TOTAL REPORTING ENTITY
ASSETS								
CURRENT ASSETS								
CASH								
111 CASH UNRESTRICTED	2,118,751	2,756,994	84,970	-	9,726,909	696,910	139,816	10,563,635
115 CASH RESTRICTED FOR PAYMENT OF B/T DEBT	-	-	-	-	-	-	-	-
112 CASH RESTRICTED FOR HOUSING AND DEV	-	-	-	-	-	-	-	-
113 CASH OTHER RESTRICTED	-	-	-	-	2,894,441	500,000	1,075,426	4,559,867
114 CASH TENANT SECURITY DEPOSIT	-	-	-	-	117,620	-	75,561	193,181
100 TOTAL CASH	2,118,751	2,756,994	84,970	-	12,828,970	1,196,910	3,290,803	15,316,693
ACCOUNTS AND NOTES RECEIVABLE								
121 A/R - PMA PROJECTS	-	-	-	-	-	-	-	-
122 A/R - HUD PROJECTS	-	50,590	-	(282,338)	-	-	-	-
124 A/R - OTHER GOVT	-	-	-	-	63,098	-	-	63,098
125 A/R - MISC	-	-	45,113	-	87,293	-	148,145	235,438
126 A/R - TENANTS DWELLING RENT	-	-	-	-	16,982	-	18,316	35,298
126.1 ALLOWANCE FOR D A - TENANTS	-	-	-	-	(2,520)	-	-	(2,520)
126.2 ALLOWANCE FOR D A - OTHER	-	-	-	-	(25,099)	-	-	(25,099)
127 NOTES AND MORTGAGES RECEIVABLE	-	-	-	-	-	-	-	-
128 FUND RECOVERY	-	-	-	-	-	-	-	-
128.1 ALLOWANCE FOR FUND RECOVERY	-	-	-	-	-	-	-	-
129 ACCRUED INTEREST RECEIVABLE	-	-	-	-	-	-	-	-
130 TOTAL RECEIVABLES NET OF ALLOW	-	50,590	45,113	(282,338)	138,616	-	166,461	305,077
CURRENT INVESTMENTS								
131 INVESTMENTS - UNRESTRICTED	-	-	-	-	-	-	-	-
135 INVESTMENTS RESTRICTED FUND B/T DEBT	-	-	-	-	-	-	-	-
132 INVESTMENTS - RESTRICTED	-	-	-	-	-	-	-	-
142 PREPAID COSTS	-	-	59,774	-	364,862	545	34,298	399,706
143 INVENTORIES - MATERIALS	-	-	66,149	-	66,140	-	-	66,140
143.1 ALLOWANCE FOR OBSOLETE INV	-	-	(6,615)	-	(6,615)	-	-	(6,615)
144 INTERPROGRAM DUE FROM	-	-	1,271,743	(1,271,743)	-	-	-	-
145 INVENTORY HELD FOR RESALE	-	-	-	-	-	-	-	-
146 ACCOUNTS TO BE PROVIDED	-	-	-	-	-	-	-	-
150 TOTAL CURRENT ASSETS	2,118,751	2,807,584	1,521,125	(1,584,081)	13,594,973	1,197,456	1,491,562	16,080,991
NONCURRENT ASSETS								
FIXED ASSETS								
161 LAND	-	-	-	-	-	-	-	-
162 INFRASTRUCTURE	-	-	126,500	-	5,604,593	378,000	720,483	6,692,276
163 BUILDINGS	-	-	1,070,770	-	38,267,841	-	39,458,943	77,726,784
164 FURNITURE & EQUIPMENT - DWELLINGS	-	-	-	-	562,386	15,418	2,826,148	3,403,952
165 FURNITURE & EQUIPMENT - NONRESIDENT	-	-	238,113	-	3,516,385	-	4,590,935	8,107,220
166 LEASEHOLD IMPROVEMENTS	-	-	413,841	-	1,181,340	-	1,941,578	3,536,761
167 CONSTRUCTION IN PROGRESS	-	-	(959,863)	-	(24,616,593)	(1,542)	(2,477,684)	(27,095,819)
168 ACCUMULATED DEPRECIATION	-	-	859,361	-	24,812,952	1,144,115	45,119,025	70,776,092
160 TOTAL FIXED ASSETS, NET OF DEPR	-	-	-	-	-	-	-	-
171 NOTES & MORTGAGES RECEIVABLE - N/C	-	-	418,000	-	3,009,570	-	-	3,009,570
172 NOTES & MORTGAGES RECEIVABLE - FD	-	-	-	-	-	-	-	-
173 GRANTS RECEIVABLE - NONCURRENT	-	-	-	-	-	-	-	-
174 OTHER ASSETS	-	-	-	-	-	-	232,959	232,959
175 INVESTMENT IN JOINT VENTURES	-	-	-	-	-	-	-	-
180 TOTAL NONCURRENT ASSETS	-	-	1,307,361	-	27,522,922	1,144,115	45,352,024	74,018,661
190 TOTAL ASSETS	2,118,751	2,807,584	2,828,486	(1,554,081)	40,914,495	2,341,571	46,843,586	90,099,652

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	DISASTER REPAIR PROGRAM 97,109	DISASTER HOUSING ASSISTANCE PROGRAM - IRE 87,109 (1K)	COCC	ELIMINATION	TOTAL ENTERPRISE FUND	COMPONENT UNIT - PARTNERS FOR PROGRESS, INC.	COMPONENT UNITS - PARTNERSHIPS	TOTAL REPORTING ENTITY
<b>LIABILITIES AND NET POSITION</b>								
<b>CURRENT LIABILITIES</b>								
311 BANK OVERDRAFT	-	-	-	-	-	-	-	-
312 A/P < 90 DAYS	-	-	20,610	-	61,173	32,621	75,315	169,109
313 A/P > 90 DAYS	-	-	-	-	-	-	-	-
321 ACCRUED WAGE/PAYROLL TAXES PAYABLE	-	-	40,860	-	84,741	2,445	-	97,187
322 ACCRUED COMPENSATED ABSENCES	-	-	33,982	-	104,895	3,362	-	108,277
324 ACCRUED CONTINGENCY LIABILITY	-	-	-	-	-	-	-	-
325 ACCRUED INTEREST PAYABLE	-	-	521	-	20,648	-	139,192	159,840
331 ACCOUNTS PAYABLE - MUD FRA PROGRAMS	-	-	-	(282,338)	147,339	-	-	147,339
332 ACCOUNTS PAYABLE - FRA PRODUCTS	-	-	-	-	-	-	-	-
333 ACCOUNTS PAYABLE OTHER GOVT	-	-	-	-	-	-	-	-
341 TENANT SECURITY DEPOSIT	-	-	-	-	117,620	-	75,561	193,181
342 UNEARNED REVENUE	-	-	-	-	-	-	11,562	11,562
343 CURRENT PORTION OF LT DEBT CAPITAL	-	-	37,902	-	37,902	-	8,758,997	8,796,899
344 CURRENT PORTION OF LT DEBT OPERATING	-	-	-	-	-	-	-	-
345 LONG LIABILITIES - CURRENT	-	-	-	-	134,076	-	-	134,076
346 OTHER CURRENT LIABILITIES	-	-	-	-	4,664	-	2,503,732	2,508,416
347 ACQUIRED LIABILITIES - OTHER	-	-	-	(1,271,743)	-	-	-	-
348 INTERPROGRAM DUE TO	-	-	-	-	-	-	-	-
310 TOTAL CURRENT LIABILITIES	-	-	133,875	(1,554,081)	713,078	39,449	11,564,959	12,315,886
<b>NONCURRENT LIABILITIES</b>								
351 LONG TERM DEBT NET OF CURRENT CAPITAL	-	-	269,629	-	269,629	1,060,789	20,261,650	21,592,068
352 LONG TERM DEBT NET OF CURRENT OPERATING	-	-	-	-	-	-	-	-
354 LONG TERM PORTION OF COMPENSATED ABSENC	-	-	78,290	-	188,555	2,256	-	190,841
355 LONG LIABILITIES - OTHER	-	-	-	-	3,237,569	500,000	-	3,737,569
356 NONCURRENT LIABILITIES OTHER	-	-	-	-	-	45,700	80,333	121,033
350 TOTAL NONCURRENT LIABILITIES	-	-	347,926	-	3,715,763	1,603,745	20,341,983	25,661,511
300 TOTAL LIABILITIES	-	-	481,803	(1,554,081)	4,428,861	1,642,194	31,906,942	37,977,397
<b>NET POSITION</b>								
508.1 NET INVESTMENT IN CAPITAL ASSETS	-	-	-	-	24,203,421	42,626	13,594,646	37,842,693
511.1 RESTRICTED NET POSITION	-	-	561,830	-	2,785,531	500,000	1,075,426	4,361,017
512.1 UNRESTRICTED NET POSITION	2,118,751	2,807,584	1,764,853	-	9,484,622	156,751	267,172	9,918,545
513 TOTAL NET POSITION	2,118,751	2,807,584	2,346,683	-	36,485,634	699,377	14,937,244	52,122,255
500 TOTAL LIABILITIES AND NET POSITION	2,118,751	2,807,584	2,828,486	(1,554,081)	40,914,495	2,341,571	46,843,566	90,099,652

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DISASTER HOUSING ASSISTANCE PROGRAM	DISASTER HOUSING ASSISTANCE PROGRAM - IRE	COCC	ELIMINATION	TOTAL ENTERPRISE FUND	COMPONENT UNIT - PARTNERS FOR PROGRESS, INC.	COMPONENT UNIT - PARTNERS FOR PROGRESS, INC.	TOTAL REPORTING ENTITY
703 NET TENANT RENTAL REVENUE	-	-	-	2,106,622	-	1,025,147	3,131,769
704 TENANT REVENUE - OTHER	-	-	-	170,638	-	13,714	184,352
705 TOTAL TENANT REVENUE	-	-	-	2,277,260	-	1,038,861	3,316,121
706 HUD FWA GRANTS	-	-	69,355	30,568,332	-	-	30,568,332
706.1 CAPITAL GRANTS RECEIVED	-	-	(69,355)	400,978	-	-	400,978
706.2 ADMINISTRATIVE FEES EARNED	-	-	-	-	-	-	-
707.1 MANAGEMENT FEE	-	1,113,789	(1,059,041)	54,748	-	-	54,748
707.2 ASSET MANAGEMENT FEE	-	69,720	(69,720)	-	-	-	-
707.3 BOOK-KEEPING FEE	-	382,238	(382,238)	-	-	-	-
707.4 FRONT LINE SERVICE FEE	-	-	-	-	-	-	-
707.5 OTHER FEES	-	-	-	-	-	-	-
708 OTHER CONT GRANTS	-	50,590	-	912,150	-	-	912,150
710 SEC 8 INCOME	-	-	-	-	-	-	-
711 INVESTMENT INCOME - UNRESTRICTED	999	1,379	387	4,572	413	289	5,274
712 MORTGAGE INTEREST INCOME	-	-	-	-	-	-	-
713 PROCEEDS FROM ASSETS HELD FOR SALE	-	-	-	-	-	-	-
713.1 COST OF SALE OF ASSETS	-	-	-	-	-	-	-
714 FRAUD RECOVERY	-	-	-	68,561	-	-	68,561
715 OTHER REVENUE	-	1,010	131,497	3,074,028	165,592	-	3,239,610
716 GAIN ON LOSS ON THE SALE OF FIXED ASSETS	-	-	-	-	-	-	-
720 INVESTMENT INCOME - RESTRICTED	-	-	-	1,845	-	1,075	2,940
700 TOTAL REVENUE	999	52,979	1,750,431	37,362,361	165,995	1,040,225	38,568,584
EXPENSES	-	-	-	-	-	-	-
ADMINISTRATIVE	-	-	-	-	-	-	-
911 ADMINISTRATIVE SALARIES	-	-	-	-	-	-	-
912 AUDITING FEES	-	703,781	-	1,732,040	95,930	102,577	1,930,147
913 MANAGEMENT FEE	-	6,680	2,569	50,537	-	-	50,537
913.1 BOOK-KEEPING FEE	-	-	-	(1,059,041)	54,748	-	54,748
914 ADVERTISING AND MARKETING	-	-	-	(382,238)	-	-	-
915 EMPLOYEE BENEFIT CONTRIBUTION	-	167,368	-	427,149	25,619	-	452,768
916 OTHER OPERATING ADMINISTRATIVE	-	8	131,503	336,861	7,833	198,371	543,065
917 LEGAL EXPENSE	-	15,758	-	31,620	3,485	-	35,105
918 TRAVEL	-	15,426	-	34,544	1,879	-	36,423
919 OTHER	-	52,622	-	152,184	30,014	-	181,198
920 ASSET MANAGEMENT FEE	-	-	(69,720)	-	-	-	-
TENANT SERVICES	-	-	-	-	-	-	-
921 TENANT SERVICES SALARIES	-	-	-	218,834	-	-	218,834
922 RELOCATION COSTS	-	-	-	-	-	-	-
923 EMPLOYEE BENEFIT CONTRIBUTION	-	-	-	36,126	-	-	36,126
924 TENANT SERVICES OTHER	-	-	-	230,804	-	-	230,804
UTILITIES	-	-	-	-	-	-	-
931 WATER	-	978	-	69,443	317	5,668	75,428
932 ELECTRICITY	-	17,997	-	607,970	1,532	3,232	612,734
933 GAS	-	674	-	145,819	142	89	146,050
934 FUEL	-	-	-	-	-	-	-
935 LABOR	-	-	-	-	-	-	-
936 OTHER	-	1,253	-	270,392	631	911	271,914
937 EMPLOYEE BENEFIT CONTRIBUTION UTILITY	-	-	-	-	-	-	-
938 OTHER UTILITIES	-	-	-	-	-	1,311	1,311
ORDINARY MAINTENANCE & OPERATION	-	-	-	-	-	-	-
941 ORDINARY MAINT AND OP LABOR	-	55,465	-	224,500	-	42,073	266,573
942 ORDINARY MAINTENANCE AND OF MATERIALS	-	3,807	-	299,573	40	13,558	313,191
943 ORDINARY MAINTENANCE AND OF CONTRACT	-	460	-	1,104,849	3,663	134,131	1,242,643
945 EMPLOYEE BENEFIT CONTRIBUTION	-	-	-	174,888	-	-	174,888
PROTECTIVE SERVICES	-	-	-	-	-	-	-
951 PROTECTIVE SERVICES - LABOR	-	-	-	-	-	-	-
952 PROTECTIVE SERVICES - OTHER CONTRACT COSTS	-	-	-	145,697	-	-	145,697
953 PROTECTIVE SERVICES - OTHER	-	-	-	-	-	-	-
955 EMPLOYEE BENEFIT CONTRIBUTION PS	-	-	-	-	-	-	-

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DISASTER HOUSING ASSISTANCE PROGRAM - ICE 97.109	DISASTER HOUSING ASSISTANCE PROGRAM - ICE 97.109 (17e)	ELIMINATION	TOTAL ENTERPRISE FUND	COMPONENT UNIT - PARTNERS FOR PROGRESS, INC.	COMPONENT UNITS - PARTNERSHIPS	TOTAL REPORTING ENTITY
GENERAL EXPENSES	-	-	-	-	-	-
961 INSURANCE PREMIUMS	-	94,972	1,098,151	13,806	101,158	1,122,795
962 OTHER GENERAL EXPENSES	-	52,144	109,865	-	368,511	480,377
962.1 COMPENSATED ABSENCES	-	5,738	36,654	823	-	36,482
963 PAYMENTS IN LIEU OF TAXES	-	-	-	-	-	-
964 BAD DEBT - TENANT	-	-	100,997	-	-	100,997
965 BAD DEBT - MORTGAGES	-	-	-	-	-	-
966 BAD DEBT - OTHER	-	108,276	108,276	-	-	108,276
967 INTEREST EXPENSE	-	13,338	306,342	-	541,016	847,408
968 SEVERANCE EXPENSE	-	-	-	-	-	-
969 TOTAL OPERATING EXPENSES	-	1,506,355	8,462,436	239,767	1,532,806	10,234,509
970 EXCESS OPERATING REVENUE OVER OPERATING EXP	899	244,276	28,900,128	(73,772)	(492,361)	28,333,976
971 EXTRAORDINARY MAINTENANCE	-	-	220,399	-	-	220,399
972 CASUALTY LOSSES - NON CAPITALIZED	-	10,889	7,197	-	-	7,197
973 EAP	-	-	21,837,499	-	-	24,857,499
973.5 EAP PORTABILITY-IM	-	-	2,549,557	-	-	2,549,557
974 DEPRECIATION EXPENSE	-	75,063	2,257,186	1,942	756,510	3,015,238
975 FLOOD LOSSES	-	-	-	-	-	-
976 CAPITAL OUTLAYS GOVT FUNDS	-	-	-	-	-	-
977 DEBT PRINCIPAL PAYMENT GOVT FUNDS	-	-	-	-	-	-
978 DWELLING UNITS RENT EXPENSE	-	-	-	-	-	-
990 TOTAL EXPENSES	-	1,593,059	38,334,074	241,309	2,289,116	40,864,499
1001 OPERATING TRANSFERS IN	-	-	-	-	-	-
1002 OPERATING TRANSFERS OUT	(297,979)	-	(1,089,358)	-	-	-
1006 PROCEEDS FROM PROPERTY SALES	-	-	-	-	-	-
1007 EXTRAORDINARY ITEMS (NET GAIN/LOSS)	-	-	-	-	-	-
1008 SPECIAL ITEMS (NET GAIN/LOSS)	-	-	-	548,825	2,588,876	3,134,501
1010 TOTAL OTHER FINANCING SOURCES (USES)	(297,979)	-	-	548,825	2,588,876	3,134,501
1000 EXCESS REVENUE OVER EXPENSES	(297,080)	45,831	(971,710)	470,311	1,339,985	839,586
1103 BEGINNING NET POSITION	2,415,831	2,761,753	37,457,344	229,066	13,597,259	51,283,659
1104 NET POSITION TRANSFERS	-	-	-	-	-	-
1104 PRIOR PERIOD ADJUSTMENT	-	-	-	-	-	-
ENDING NET POSITION	2,118,751	2,807,584	36,485,634	699,377	14,937,244	52,122,255
1120 GROSS # UNITS	-	-	-	-	-	-
1121 # UNIT MONTHS LEASED	-	-	58,739	2,244	-	60,983
1117 ADMINISTRATIVE FEE NET POSITION	-	-	51,403	2,174	-	53,577
1118 HOUSING ASSISTANCE PAYMENTS NET POSITION	-	-	822,701	-	-	522,701
1162 BUILDING PURCHASES	-	-	1,739,809	-	-	1,739,809
1351 GOVT DEBT SERVICE - PRINCIPAL PAYMENTS	-	-	400,878	-	-	400,878
	-	-	69,355	-	-	69,355

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
BATON ROUGE, LOUISIANA

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS

SEPTEMBER 30, 2013

**Section I: Summary of Auditor's Results:**

**FINANCIAL STATEMENTS**

Type of auditor's report issued:

Unmodified

Internal Control over financial reporting:

Are material weaknesses identified?

X  Yes        No

Are significant deficiencies that are not considered  
to be material weaknesses identified?

Yes       X  None  
Reported

Is noncompliance that could have a material effect  
on the financial statements identified?

Yes       X  No

**FEDERAL AWARDS**

Internal control over major programs:

Are material weaknesses identified?

Yes       X  No

Are significant deficiencies that are not considered  
to be material weaknesses identified?

Yes       X  None  
Reported

Type of report issued on compliance with requirements  
applicable to each major program:

Unmodified

Are there any audit findings that are required to be  
reported in accordance with Section 510(a) of OMB  
Circular A-133?

Yes       X  No

**Identification of Major Programs**

**CFDA No.**

Community Development Block Grant

14.228

Public Housing Program

14.850a

Section 8 Housing Choice Vouchers Program

14.871

Dollar threshold used to distinguish between type A and type B programs:      \$956,440

Is the auditee identified as a low-risk auditee?

Yes       X  No



THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
BATON ROUGE, LOUISIANA

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS  
CONTINUED

SEPTEMBER 30, 2013

**Section II: Financial Statement Findings & Questioned Costs:**

**Prior Year Findings:**

**Finding 12-01 - Internal Control over Financial Reporting (Partners for Progress, Inc.)**

**Partners for Progress, Incorporated, a Discreet Component Unit of the Authority**

**Condition and Cause:**

During the audit period, the Corporation purchased Land for \$370,000 and financed the Land purchase with a Note Payable of \$370,000. Neither the Land, nor the Note Payable was recorded in the Corporation's general ledger, or within the Corporation's Component Unit reporting column in the Authority's Financial Data Schedule (FDS) submitted to the Department of Housing and Urban Development.

The understatement of Capital Assets and Notes Payable appears to have resulted from a lack of communication between management responsible for the operations of the Corporation, and the accounting management and staff responsible for financial reporting.

**Current Year Status:**

The Authority does not appear to have corrected the deficiencies which led to this Finding. This Finding is restated as current year Finding 13-01.



THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
BATON ROUGE, LOUISIANA

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS  
CONTINUED

SEPTEMBER 30, 2013

**Section II: Financial Statement Findings & Questioned Costs - Continued:**

**Current Year Findings:**

**Finding 13-01 - Internal Control over Financial Reporting (Partners for Progress, Inc.)**

**Partners for Progress, Incorporated, a Discreet Component Unit of the Authority**

**Criteria:**

Financial statements should be prepared in accordance with generally accepted accounting principles (GAAP). Periodic reviews should be performed to ensure all transactions relating to the fiscal year have been recorded in the correct account and entered in the correct amount.

**Condition and Cause:**

During the audit period, the Corporation funded infrastructure and construction costs on a residential housing development in the amount of \$568,411 on borrowings from the City of Baton Rouge and Copper Oaks Partners, LLC. Additionally, interest costs in the amount of \$22,200 were incurred on a separate borrowing. The Corporation accounted for the expenditures as Ordinary Maintenance and Operations Expense, instead of capitalizing these expenditures and reporting them as capital assets. This resulted in an under-statement of capital assets of \$590,611. The borrowings which funded the construction expenditures were accounted for as Other Revenue instead of as Liabilities. Additionally, the Corporation received a \$500,000 loan from the East Baton Rouge Redevelopment Authority during the fiscal year. The \$500,000 proceeds received on the loan were accounted for as Other Revenue, instead of a Liability.

The understatement of Capital Assets and misclassifications of the various Liabilities appears to have resulted from a lack of communication between management responsible for the operations of the Corporation, and the accounting management and staff responsible for financial reporting.

**Recommendation:**

We recommend the Corporation implement and execute a strengthened internal control system over financial reporting to include effective communication between operational management and the financial staff responsible for financial reporting, regarding the nature of financial and non-financial transactions of the Corporation.

**Reply and Corrective Action Plan:**

The Corporation's Chief Executive Officer has assumed the responsibility of implementing and executing a strengthened internal control system over financial reporting and expects the deficiencies which led to this finding to be resolved by June 30, 2014.

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
BATON ROUGE, LOUISIANA

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS  
CONTINUED

SEPTEMBER 30, 2013

**Section III: Federal Awards Findings & Questioned Costs:**

**Prior Year Findings:**

**Finding 12-02 - Tenant File Maintenance**

Section 8 Housing Choice Voucher Program – CFDA No. 14.871; Grant period – year ended September 30, 2012

**Condition & Cause:**

Auditors reviewed 40 program participant contract files. Of the 40 files reviewed, 4 files did not contain lead-based paint disclosures.

**Current Year Status:**

The Authority appears to have corrected the deficiencies which led to this Finding. This Finding is not restated.

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
BATON ROUGE, LOUISIANA

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS  
CONTINUED

SEPTEMBER 30, 2013

**Section III: Federal Awards Findings & Questioned Costs - Continued:**

**Prior Year Findings - Continued:**

**Finding 12-03 - Department of Labor Financial and Management Review**

Opportunities for Youth - Youthbuild Program - Recovery Act Funded – CFDA No. 17.274; Grant period – year ended September 30, 2012

**Condition & Cause:**

During August of 2012, the U.S. Department of Labor (DOL) conducted a financial management and program review to assess the Authority's policies, procedures and systems with respect to this federal program. The DOL concluded that the Authority did not meet the Matching Share Requirement of the grant program. The Authority reported matching funds of \$320,737, but committed to provide matching funds of \$361,000 in their applicable Grant Agreement. Further, the Authority was unable to provide documented support for \$16,253 of the matching funds the Authority initially reported.

The Authority's response to the DOL's Finding is as follows:

"A request was made on June 12, 2012 to move \$46,632 from Match to program expenditures. Approval was received from ETA on June 14, 2012 and confirmed on July 2, 2012... EBRPHA disputes this Finding. The Match of \$18,932 for equipment and tools cannot be supported any further than what was provided in the form of the Match letter from the EBRP School System. Equipment and tools are available and located in the training facility provided by the School System, but there is no record of original costs and/or depreciation."

The DOL Regional Office has not cleared the Finding as of the date of this report. The DOL has concluded that the Authority should follow up with its DOL Closeout Grant Officer for a final determination with respect to this Finding.

**Current Year Status:**

The DOL Regional Office has cleared this Finding as of the date of this report. This Finding is not restated.

THE HOUSING AUTHORITY OF EAST BATON ROUGE PARISH  
BATON ROUGE, LOUISIANA

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS  
CONTINUED

SEPTEMBER 30, 2013

**Section III: Federal Awards Findings & Questioned Costs - Continued:**

**Current Year Findings:**

None